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LEGISLATIVE HISTORY

Public Law 328--79th Congress

Chapter 106--2d Session

H. R. Res. 301

TABLE OF CONTENTS

Digest of Public Law 328	1
Index and Summary of History on H. R. Res. 301	2

1111111111
1111111111
1111111111

1885
1886

DIGEST OF PUBLIC LAW 328

SUBSIDIES AUTHORIZATION. Permits the subsidy funds already authorized for the 1945 crop program operations be used for 1946 crop programs of sugar, vegetables processed before July 1, 1946, and flaxseed harvested before that date, and increases the authorizations for RFC subsidies by \$125,000,000 for meat and \$25,000,000 for flour.

INDEX AND SUMMARY OF HISTORY ON H. J. RES. 301

January 18, 1946	H. J. Res. 301 introduced by Rep. Spence and referred to the House Committee on Banking and Currency.
January 21, 1946	Hearings: House, H. J. Res. 301.
January 22, 1946	House Committee reported H. J. Res. 301 with amendments. House Report 1486. Print of the bill as reported.
February 4, 1946	Discussed in House and passed as reported.
February 5, 1946	H. J. Res. 301 referred to the Senate Committee on Banking and Currency. Print of the measure as referred.
February 21, 1946	Hearings: Senate, H. J. Res. 301
February 25, 1946	Senate Committee reported H. J. Res. 301 with amendments. Senate Report 991. Print of the measure as reported.
February 27, 1946	Debated and passed Senate as reported.
March 1, 1946	House and Senate Conferees appointed.
March 15, 1946	House received Conference Report. Senate agreed to Conference Report.
March 18, 1946	House agreed to Conference Report.
March 21, 1946	Approved. Public Law 328.

79TH CONGRESS
2D SESSION

H. J. RES. 301

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 1946

Mr. SPENCE introduced the following joint resolution; which was referred to the Committee on Banking and Currency

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That (a) section 3 of the Act of April 12, 1945 (59 Stat.
4 50), is hereby amended by deleting in clause (b) (3) of
5 said section, the words "1945 crop program operations", and
6 by inserting, in lieu thereof, the words "1945 and 1946
7 crop program operations"; (b) neither the last paragraph
8 of section 2 (e) of the Emergency Price Control Act of
9 1942, as amended, nor the Act of June 23, 1945 (59 Stat.
10 260), shall be construed to apply to purchases by the Re-
11 construction Finance Corporation of such tin ores and con-

79TH CONGRESS
2^D Session

H. J. RES. 301

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

By Mr. SPENCE

JANUARY 18, 1946

Referred to the Committee on Banking and Currency

PUERTO RICAN AND HAWAIIAN 1946 SUGAR CROP;
TEXAS CITY TIN SMELTER

HEARING
BEFORE THE
COMMITTEE ON BANKING AND CURRENCY
HOUSE OF REPRESENTATIVES
SEVENTY-NINTH CONGRESS
SECOND SESSION

ON

H. J. Res. 301

A JOINT RESOLUTION TO AMEND PUBLIC LAW 30
OF THE SEVENTY-NINTH CONGRESS,
AND FOR OTHER PURPOSES

JANUARY 21, 1946

Printed for the use of the Committee on Banking and Currency



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COMMITTEE ON BANKING AND CURRENCY

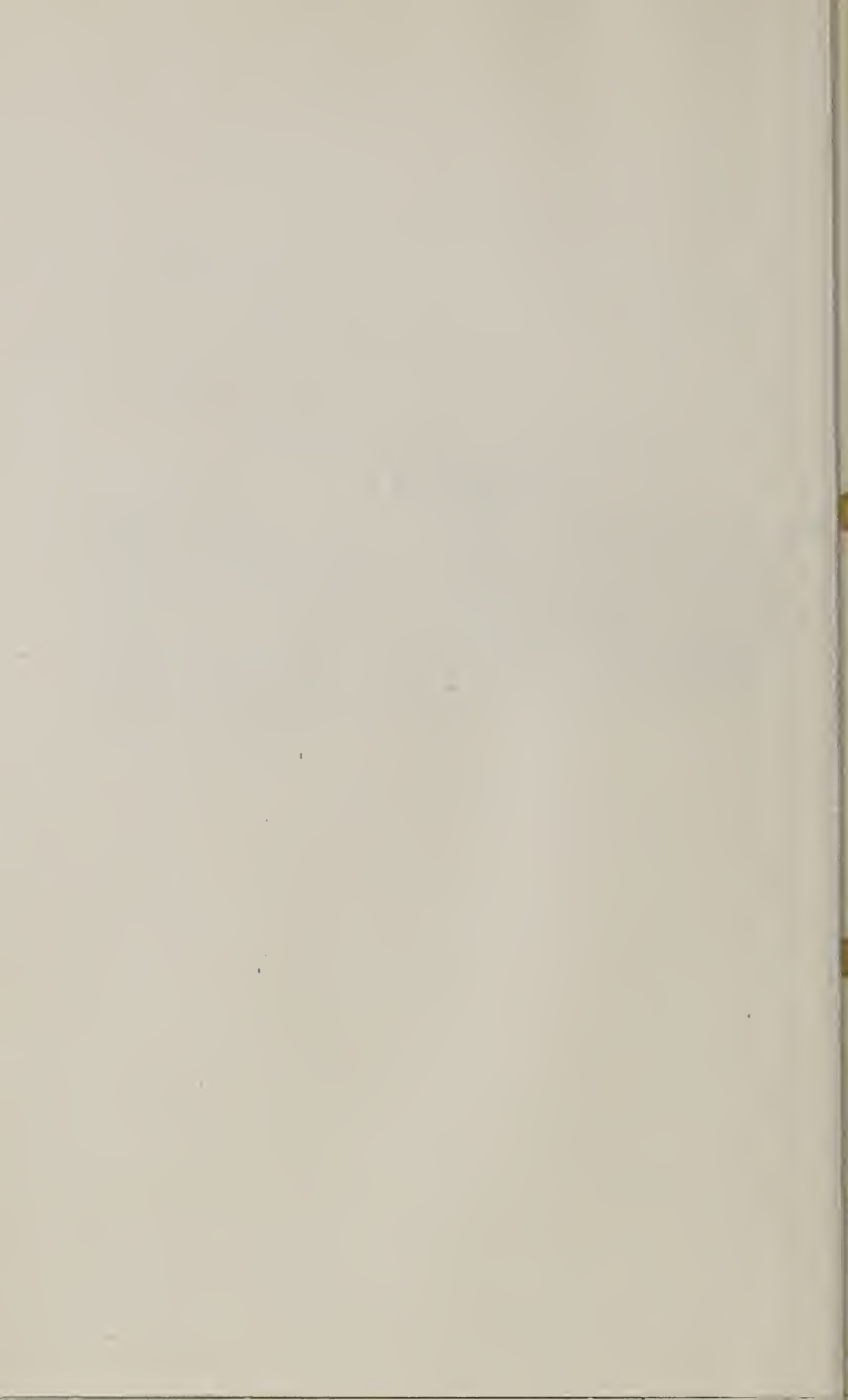
BRENT SPENCE, Kentucky, *Chairman*

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WRIGHT PATMAN, Texas	FRED L. CRAWFORD, Michigan
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MERLIN HULL, Wisconsin	

WILLIAM J. HALLAHAN, *Clerk*

CONTENTS

Statement of—	Page
Goodloe, John D., general counsel, Reconstruction Finance Corporation.....	15
Hutson, J. B., Under Secretary of Agriculture.....	1
Exhibits:	
Copy of House Joint Resolution 301.....	1
Department of Agriculture, letter of Acting Secretary to Speaker Rayburn.....	25
Office of Stabilization Administrator, letter to Chairman of the Board of Reconstruction Finance Corporation.....	15



PUERTO RICAN AND HAWAIIAN 1946 SUGAR CROP; TEXAS CITY TIN SMELTER

MONDAY, JANUARY 21, 1946

HOUSE OF REPRESENTATIVES,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The Committee on Banking and Currency convened at 10:30 a. m., January 21, 1946, Brent Spence (chairman) presiding.

The CHAIRMAN. The committee will be in order.

We will consider House Joint Resolution 301.

(The resolution is as follows:)

[H. J. Res. 301, 79th Cong., 2d sess.]

JOINT RESOLUTION To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the Act of April 12, 1945 (59 Stat. 50), is hereby amended by deleting in clause (b) (3) of said section, the words "1945 crop program operations," and by inserting, in lieu thereof, the words "1945 and 1946 crop program operations"; (b) neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the Act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter; and (c) the allocations provided in the Act of June 23, 1945 (59 Stat. 260), involving subsidies and anticipated losses, are hereby changed by increasing the dollar amounts provided for meat and flour by \$125,000,000 and \$25,000,000, respectively, and by decreasing the amounts provided for petroleum and petroleum products and butter by \$175,000,000 and \$75,000,000 respectively.

The CHAIRMAN. Mr. Hutson, Under Secretary of Agriculture, and Mr. Goodloe of the Reconstruction Finance Corporation are both here and we can proceed as you gentlemen desire.

STATEMENT OF J. B. HUTSON, UNDER SECRETARY OF AGRICULTURE

Mr. HUTSON. The Department of Agriculture has some problems in connection with the movement and disposition of sugar from Puerto Rico and Hawaii that need immediate attention.

We have increased the price in order to encourage production of domestic sugars and the 1946 crop year is now beginning in Puerto Rico and Hawaii.

Congress has limited the payment of services in connection with the 1945 crop. In order to move and dispose of the sugar in connection with the 1946 crop, it will be necessary to amend that limitation so that the exemption would apply to 1945 and 1946 crops, and this reso-

lution, as far as it relates to this item, would merely provide for the addition of the words "and 1946"—those two words.

The CHAIRMAN. It makes no change in the authorized subsidy?

Mr. HUTSON. It does not make any change in the amount that could be spent for subsidy. It is contemplated that sometime within the next few weeks we would come before the committee and discuss all of the subsidy operations.

At the present time, that is, when the 1946 crop of Puerto Rican and Hawaiian sugar begins to move, we would absorb a loss, without a change in price, of about 1.1 cents per pound. It is proposed to meet part of this by an advance in price of a half cent a pound, which would become effective some time early in February, and the remainder of it would be absorbed as it has been absorbed in the past, that is, the remaining six-tenths of a cent a pound would be a loss and the entire cost of these operations in Puerto Rico and Hawaii would be about \$25,000,000, or would not exceed \$25,000,000, and, as the chairman has pointed out, the allocation of funds or the limitation of funds is sufficient—the funds included in the limitation, that is—are sufficient to pay this, and we are not asking for any increase in the total funds available.

It will be necessary, however, to come back at some later time and discuss the entire subsidy problem for the period following June 30. I believe that is all I have to say, unless there are questions.

There are two other items in this that relate to RFC, and, as I understand, Mr. Goodloe will discuss them.

I might say that until action is taken either by further advance in prices or in the nature of this authorization, that although we can bring in sugar into this country from Puerto Rico and Hawaii, we cannot dispose of it. It would have to be held in warehouses until this item is disposed of. That is why it is particularly urgent that we move it as quickly as we can.

The particular reason for waiting as long as we have is that we have had pending the question of some change in sugar prices which has been only recently resolved.

The CHAIRMAN. You contemplate an increase of one-half cent per pound. To whom would that increase be paid? The mill?

Mr. HUTSON. Yes; it will simply mean that Commodity Credit Corporation would sell the sugar to the mill. I believe to the extent that we sell raw sugar—and I would like Mr. Wilson, Chief of the Sugar Branch, to check me on this—I believe you contemplate, Earl, selling sugar on the raw basis and what would be the exact figures on a raw basis?

Mr. WILSON. Between 45 and 46 cents a hundred pounds for raw sugar.

Mr. HUTSON. Then, it is passed on from there to the craft, so the price of sugar would be advanced 45 to 46 cents a hundred pounds. That is equivalent to a half cent a pound on refined sugar and it would be passed on to the consumer.

The CHAIRMAN. What effect would it have on the retail price?

Mr. WILSON. It would probably put it up a half cent.

Mr. HUTSON. Possibly a little more. There are some people here from OPA that might care to answer that, but their margins are per-

centage margins, and it might be a little over a half cent a pound. I do not know that has been determined yet; the exact amount.

The CHAIRMAN. Your testimony goes to the sugar situation. Mr. Goodloe, I understand, will testify to the other matters?

Mr. HUTSON. That is right. If you want to come back to that after you have had the remaining points, I will be available.

The CHAIRMAN. Is there any interrogation of Mr. Hutson?

Mr. WOLCOTT. Mr. Hutson, it is not quite clear in my mind why you said we cannot distribute the Puerto Rican crop.

Mr. HUTSON. Well, we cannot absorb a loss in connection with it.

Mr. WOLCOTT. Who is "we"?

Mr. HUTSON. The Commodity Credit Corporation; because of this limitation in the language. And you do not absorb a loss when you buy it. It is only when you dispose of it.

Mr. WOLCOTT. What would that loss amount to?

Mr. HUTSON. Well, if we could absorb the loss, and we did it with today's selling price, it would amount to 1.1 cents, refined basis. But with the advance in price of a half cent a pound, it would be 0.6 cent a pound, and it is contemplated that would be the amount of the loss that would be absorbed.

Mr. WOLCOTT. Why not raise the price by one cent? Or, 1.1 cents?

Mr. HUTSON. Well, we have had authorization to use a certain amount of money, and we can pay this 0.6 cent a pound within the authorization that has been made and we are trying—it is a policy of the Administration to hold prices as stable as possible.

Mr. WOLCOTT. Well, we are talking about raising the price of butter 18 cents a pound and talking about raising the price of steel, talking about raising the price of everything, so why do we pay subsidies on sugar, and dairy products, and meat, and so on? The reason I ask that question is I think this committee and the Congress will have to determine very shortly what the Government's policy is going to be with respect to prices: Whether they are going to continue to pay subsidies or continue to authorize the payment of subsidies and at the same time authorize the Administration to raise prices. Up to the present time the Administration has always been very much opposed to the raising of prices to absorb increased production costs. Now, at the other end of the Avenue, they seem to have adopted a policy to raise prices to absorb increased production costs and now you are down here asking for further authorization to increase subsidies to absorb production costs. Where are we going? What is the policy going to be?

Mr. HUTSON. I would say that I had hoped that we could dispose of this subsidy thing at a somewhat later time. Subsidies have been authorized until June 30, and specific funds set aside that can be used for the payment of subsidies. Now, this authorization would expire on June 30. This change that we are requesting could be paid within existing authorization. It is just the technicality of calling this crop that is harvested after the beginning of the calendar in Puerto Rico and Hawaii the 1946 crop.

Mr. WOLCOTT. Why do you have to pay subsidy on Puerto Rican and Hawaiian crop and not have to pay it on any other crops?

Mr. HUTSON. Oh, we do pay a large subsidy, fully equal to that, in connection with the sugar which is grown here in the United States, but that is not harvested until after June 30.

Mr. WOLCOTT. This does not disturb the sugar act?

Mr. HUTSON. No, it does not. That will come up in connection with the further authorization for subsidies.

Mr. WOLCOTT. If you move the Hawaiian and Puerto Rican sugar crops to the United States and buy that crop, you could not distribute it without taking a half a cent loss, the alternate would be to increase the price of sugar a half a cent?

Mr. HUTSON. That is correct. Well, it would be 0.6 cent, in addition to the half cent that has already been authorized.

Mr. WOLCOTT. Can you speak for the administration and give us some information as to what their future policy is going to be as to whether we are going to hold the price line or whether we are going to pay subsidies?

Mr. HUTSON. I think I would rather not go into it at this time. I think possibly the President will have something to say today on that.

Mr. WOLCOTT. It seems to me we will have to decide before we authorize the further payment of subsidies what the Government's policy on holding of prices is going to be: whether we are going to hold it by subsidies or by trying to keep down the cost of production.

Mr. HUTSON. I think probably that will be covered in the message of today. I am not authorized to speak about it.

Mr. WOLCOTT. Well, why not wait until after the message is released and then find out what the Government's policy is?

Mr. HUTSON. Of course, that is a thing for the committee to decide, but I want to emphasize as strongly as I can the urgency of this particular operation.

Mr. HULL. Mr. Chairman, may I interject a question?

The CHAIRMAN. Mr. Hull.

Mr. HULL. Why do you confuse butter with sugar and why do you at the same time not want to help the sugar raisers?

Mr. HUTSON. That is another item, and I would prefer that Mr. Goodloe discuss it. I would say this, Congressman, that that is in connection with the termination of a roll-back subsidy, the so-called roll-back butter subsidy that has already been terminated. That has been terminated. That action was taken some time ago. Mr. Goodloe will explain that in detail. That is the reason I thought you might want to get those last two points in, and then you might have some additional questions.

The CHAIRMAN. You make no change in the sugar quota at all, as I understand it. You merely apply to the 1946 the same measure that you have applied to 1945; is that true?

Mr. HUTSON. That is correct. It arises from the fact that the Puerto Rican and Hawaiian sugar that is harvested after June 1—that they start harvesting after June 1—and it has always been considered a 1946 crop.

The CHAIRMAN. What is the amount of the Puerto Rican and Hawaiian sugar?

Mr. HUTSON. Slightly less than 2 million tons.

The CHAIRMAN. What is our total consumption?

Mr. HUTSON. Close to six million tons.

Mr. WILSON. Close to six and a half million tons.

The CHAIRMAN. Is there any further interrogation of this witness?

Mr. CRAWFORD. Mr. Chairman.

The CHAIRMAN. Mr. Crawford.

Mr. CRAWFORD. Mr. Hutson, I think the record should be very clear here that these payments to which you look forward are not paid to the Seacoast Refineries or the Inland Sugar Beet Processors. Is that correct?

Mr. WILSON. That is correct.

Mr. HUTSON. I am advised that is correct.

Mr. CRAWFORD. In other words, this subject of money, which has heretofore been disbursed, and which is about to be disbursed, and the support price money, is paid to the growers of sugarcane and, in turn, broken down and paid to their farm workers, and is paid to the growers of sugar beets and, in turn, broken down and paid to their land workers.

Mr. HUTSON. That is correct.

Mr. CRAWFORD. Do you know of any sugar barons that are getting any of these payments?

Mr. HUTSON. I do not, sir.

Mr. CRAWFORD. I thought that ought to be in the record.

Now, the sugarcane-slicing operations in Puerto Rico and Hawaii are now about to begin on the 1946 slicing season covering crops grown in 1945; is that correct?

Mr. HUTSON. That is correct.

Mr. CRAWFORD. Is the Commodity Credit Corporation purchasing all of the sugar from those two areas?

Mr. HUTSON. We purchase the Puerto Rican—you answer these questions, Mr. Wilson.

Mr. WILSON. We purchase the Puerto Rican crop, but we have a support program for Hawaii. We could not purchase the Hawaiian sugar.

Mr. CRAWFORD. So then, for the protection of the American consumer, you have moved in and you are purchasing the 1946 Puerto Rican ground crop; is that correct?

Mr. HUTSON. That is correct.

Mr. CRAWFORD. Now, out of the present authority, you could move that sugar into the United States, and so long as you hold it, you are within your present authorization?

Mr. HUTSON. That is correct.

Mr. CRAWFORD. But if you purchase the sugar from Puerto Rico at a given price and move it into the United States and then dispose of it, you have no authority to do that because that disposal would incur a loss on your operations?

Mr. HUTSON. That is correct.

Mr. CRAWFORD. You are asking us to extend the law so that the 1946 ground sugar, ground and processed sugar, cannot only be purchased by you, but sold by you to the seacoast refineries of raw sugar, and permit you to absorb the loss which you estimate will probably run .6 of 1 cent per pound raw basis, and you also assume in that—

Mr. HUTSON. Refined basis, I believe that is, Judge.

Mr. CRAWFORD. Refined basis. And you also assume in that, then, that the price on refined sugar will probably be advanced to the consumer perhaps a half cent a pound?

Mr. HUTSON. Slightly over a half cent a pound.

Mr. CRAWFORD. So, then, that would equalize your operations and bring you down to where, on the two crops, you would probably lose around \$25,000,000 and the balance would be absorbed by the consumers who purchase the sugar, by reason of the price increase?

Mr. HUTSON. That is correct.

Mr. CRAWFORD. That is about your situation?

Mr. HUTSON. Yes.

Mr. CRAWFORD. Now, I believe you told the chairman that the two crops would probably run somewhere in the neighborhood, roughly, of 2,000,000 tons. That is divided almost equally, is it not, or does Puerto Rico expect to step up production?

Mr. HUTSON. I think Puerto Rico may be a little larger.

Mr. CRAWFORD. Then, we have a situation where Puerto Rico will deliver as much as a million or a million and a half tons and Hawaii, if your crop turns out as now estimated, half a million tons?

Mr. HUTSON. It is more likely that the two crops, that the crops from the two areas, will be under two million tons than over. It is probably on the under side of two million.

Mr. CRAWFORD. Now, you spoke of the support prices on the Hawaiian crop. Those support prices are paid to the Hawaiian sugar planters or farmers, as we might express it in this country; that is correct, is it not?

Mr. HUTSON. Yes, sir.

Mr. CRAWFORD. And here in the continental United States, the southern sugar cane growers receive support prices, and in the northern and northwestern sugar-beet country, the growers receive sugar support prices on their crops. Would you care, if you have the figures, would you care to say how much those support prices may run on the 1946 crop, to be planted and grown this year, expressed in ton value—because you do not know, of course, how many tons you are going to get? Can you give that information to the committee?

Mr. HUTSON. Do you have the figures on the beets and cane separate there, Mr. Wilson?

Mr. WILSON. For 1946 we hope to have a crop of about a million and a half tons of sugar from the beet, refined sugar. The support payment will run around \$1.40 a hundred pounds.

Mr. HUTSON. That is after the half cent is taken?

Mr. WILSON. No, that is before.

Mr. HUTSON. Then, it would be about 90 cents?

Mr. WILSON. Yes.

Mr. HUTSON. Nine-tenths of a cent a pound.

Mr. CRAWFORD. What does that run on the southern sugarcane?

Mr. WILSON. Slightly less, because of the difference in yield in the sugarcane from sugar beets.

Mr. CRAWFORD. That is all I have.

Mr. SMITH. Mr. Chairman.

The CHAIRMAN. Mr. Smith.

Mr. SMITH. Mr. Hutson, do you regard the payment of subsidies as being inflationary?

Mr. HUTSON. No, sir; I do not.

Mr. SMITH. Where does the money come from, to pay these subsidies?

Mr. HUTSON. Well, in the last analysis, I suppose you could say from the tax receipts or the sale of bonds. It is Government funds.

Mr. SMITH. Well, are all the bonds that the Government has disposed of actually sold?

Mr. HUTSON. I beg your pardon?

Mr. SMITH. Are all of the bonds which the Government has disposed of actually sold?

Mr. HUTSON. If I understand the question, I think the answer is yes, the bonds would be disposed of. That is, the definition, I think, of disposed of, that is, to sell them.

Mr. SMITH. And paid for out of money in existence?

Mr. HUTSON. That is correct.

Mr. SMITH. Well, what about the 84 billions of bonds held by the commercial banking system?

Mr. HUTSON. I think perhaps it might be better, Congressman, to get someone who is better qualified than I am to speak on the financing arrangements of the Government. My view on the subsidies that have been paid up to this time are about this: that once you discontinue the payment of subsidies, if that results in a substantial rise in prices, that you will find that your prices will tend to pyramid on you faster, and would give you more of an inflationary condition than it would to hold prices right up to the stable line. We are as anxious as anyone else to eliminate these subsidies just as quickly as we can, but we would like to do it in such a way as to prevent any substantial rise in prices. But we regard these as temporary expedients, in order to help hold the level of the cost of living relatively stable.

Mr. SMITH. Mr. Hutson, do you not think a man in your position ought to understand this problem that I am discussing here? The question as to whether actual money has been exchanged, or all the money in existence has been exchanged for the Government bonds, or Government securities which have been disposed of? I have reference—

Mr. HUTSON. Well, on that, Congressman, I think I do have some understanding of it, but I do not believe I am qualified to speak for the Administration on that particular problem. I do not think I am—

Mr. SMITH. I do not believe this is a matter of the Administration. You are advocating subsidies.

Mr. HUTSON. I am advocating a small change in an item that has already been authorized. It is rather a technical change. I am not raising the whole question of subsidies at this time. That is, I hoped I would not raise it.

Mr. SMITH. You are now asking in this bill for the payment of subsidies and, therefore, the question of subsidies is before us. You apparently are not aware of the fact that the Government has on record—you can read this in the Treasury Statement and in the Federal Reserve Bulletin—has printed, in effect, 84 billion dollars. We have that much Government printing press money now in existence from one source, the disposal of Government securities to the banking

system, or the financing of Government securities through the financing system.

Mr. PATMAN. Would you yield, Mr. Smith?

Mr. SMITH. Yes.

Mr. PATMAN. Are you not mistaken about that? We have \$29,000,000,000 in circulation. That is all the money that is out. I have no knowledge of any \$84,000,000,000. Bonds are not paid for with money. Bonds are paid for with credit, bank credits.

Mr. SMITH. Exactly so.

Mr. PATMAN. And bank-book money. Very few of the bonds are bought with actual money; isn't that right?

Mr. SMITH. Well, I would say, Mr. Patman, that I do not know what the proportion is, but about something like 65 percent of bank deposits are held in the form of Government securities by the commercial banks. Now—

Mr. PATMAN. But they do not issue money for that, Dr. Smith. They just issue the credit.

Mr. SMITH. Well, of course, bank credit, bank checks, bank money, is to us exactly the same as circulating currency.

Mr. PATMAN. I thoroughly agree that it is the same as circulating currency in effect, but it is not in actual circulation. But when you say \$84,000,000,000 in circulation, that is obviously a mistake.

Mr. SMITH. Let us say for the banking system which is available for us which is certainly in circulation in that sense. Now, the point I am making is this, Mr. Hutson, and that is actual. We have an additional potential of 48 billion of that same kind of Government printing-press money in the form of War Savings bonds. As these bonds are cashed in, the Government creates bank money to pay for those bonds, and what I am trying to get at is this, Mr. Hutson—

Mr. CRAWFORD. Or if the people who now hold the \$48,000,000,000 of savings bonds, as reflected in the last January 2 statement of the Treasury, desire to do so, they can go to the Treasury through their respective banks and actually receive \$48,000,000,000 of currency from the banks, and walk away with it, if they want to, and put it in their socks or savings boxes or anywhere else.

Mr. SMITH. That is correct.

Mr. CRAWFORD. Now, with respect to the bank credit in the form of deposits, if any part of that \$84,000,000,000 is to my credit in the bank in the form of a demand deposit, I can go there and draw a check and cash that and walk away with the currency. And if a person knows me, they will take my check just as quickly as they will the currency. That is what you are saying?

Mr. SMITH. Yes, in effect, it works precisely that way. In other words, Mr. Hutson, you apparently do not realize that you are advocating, to the extent that you advocate the currency, that you are actually favoring inflation. That is the question that I have put to you. Is not that true?

Mr. HUTSON. Well, now, here is what I thought, Mr. Congressman, that we were discussing. In section 3 of the act of April 12, 1945, it was provided that \$225,000,000 could be spent with respect to the 1945 crop program operations.

Mr. SMITH. In the form of a subsidy.

Mr. HUTSON. The only question that I am raising today is not for the increasing of that \$1. I am not asking that that sum of \$225,000,-000 be changed \$1. I am merely asking for authority to make that payment in connection with 1946 crop operations as well as 1945 crop operations.

Mr. SMITH. Amounting to six-tenths of 1 cent.

Mr. HUTSON. That is correct.

Mr. SMITH. But the six-tenths of 1 cent will have to be derived by the engravers, not from taxes, not from the sale of bonds to private individuals, but new money will have to be created. That is the point. The time has come when this Congress is going to realize—just let me make this statement, Mr. Chairman—the country is beginning to realize what is causing this inflation. It is not a shortage of goods. That is one factor. But it is only a part of the factor. It is only a part of the process. And it is a very small part of it. There is no such thing as serious or uncontrollable inflation resulting from shortage of goods. There is no record of it in history. The real serious inflation comes from one thing, and one thing only: Government printing-press money. And that is the problem that America is up against now on this inflation proposition, and which this committee will soon be forced to consider, whether it wants to or not.

The CHAIRMAN. Is there any further interrogation of Mr. Hutson?

Mr. BUFFETT. Mr. Chairman.

The CHAIRMAN. Mr. Buffett.

Mr. BUFFETT. I would like to ask this question of Mr. Hutson. I am frank to confess that I do not quite follow all the inferences of this change involved, but does this change embrace a plan for the ending of the sugar subsidy? In other words, are you making this change in such a fashion so that when this program in hand is completed sugar subsidies will be out of the window?

Mr. HUTSON. Well, we are not raising that question at this time. The Department of Agriculture and the Office of Price Administration, and the Office of Economic Stabilization have been considering, over a period of several weeks, a program for the termination of subsidies. A schedule at one time was tentatively agreed upon. That matter is now being reexamined, because when the schedule was originally agreed upon—that is, a schedule for the termination of these subsidies—it was expected that supplies would be large enough to result in some declines in the cost of living, in some items. These declines have not materialized. Consequently, the earlier decision is being reexamined and no recommendation is ready at this time. Or I am not prepared to make any. But that matter is being reexamined. That half cent, however, does represent the termination of some of the subsidies. That is a half cent increase on sugar. The lowest would be a half cent less than they would otherwise be. But that is as far as we are prepared to go or could get an agreement to go at this time.

Mr. BUFFETT. Is the Department of Agriculture aware of the black-market situation that exists in sugar in some of the large centers of the country?

Mr. HUTSON. I have not heard of large operations in the black market on sugar. I have heard of some rather small operations, but I have not heard of any large black-market operations in sugar.

Mr. BUFFETT. I have heard that there is a pretty definite trading market in sugar stamps in Chicago and other large centers of population, and I am wondering if the Department is cognizant of that situation.

Mr. HUTSON. It has not come to my attention.

Do you know of it, Mr. Wilson?

Mr. WILSON. I have not heard of that.

Mr. BUFFETT. Do you not think it would be fair for this committee to ask, in connection with any change for this program, now, that the Department bring in to us a plan for the orderly termination of this subsidy program and every subsidy program as fast as legislation comes up in connection with it?

Mr. HUTSON. I think, somewhat later, we would be prepared to discuss such a schedule with the committee. But, as you know, this question is a large question. It is one on which we could spend several days, perhaps to our advantage, and this is an emergency thing which does not involve any more funds, and I had hoped that we could dispose of it without raising the broad question at this time.

Mr. BUFFETT. Well, the point I am trying to make, Mr. Hudson, is simply this: the people in this country, generally speaking, are becoming disturbed over lack of realism in Washington in dealing with these financial problems. I think the greatest thing we could do here to allay that unrest is to demonstrate by taking some positive steps toward the termination of these subsidies, so that a person might pay $5\frac{1}{2}$ or $6\frac{1}{2}$ cents a pound for sugar and get it in the honest, legitimate, and orderly way rather than to have to buy sugar some place at 20 or 25 cents a pound. That is the sort of thing that is going on, not only in sugar but in butter. It has reached the point where it has disappeared from normal distribution centers in a large part of the country. In Washington today, most grocery stores, I venture to say, do not have butter. I do not think we can shut our eyes to that kind of a situation much longer without being blind to the facts and blind to our duty, do you?

Mr. PATMAN. Would you yield there, Mr. Buffet?

Mr. HUTSON. I would like to say that attention is being given to that butter problem at the moment. It is under consideration now, between the Office of Price Administration and the Department of Agriculture.

Mr. PATMAN. Would you yield, Mr. Buffett?

Mr. BUFFETT. Certainly.

Mr. PATMAN. Do you not think that is more a problem for the Enforcement Division of OPA? The reason I say that is this: I find there is quite a black market, as you suggest, in different things, and I find some of the most ardent and enthusiastic supporters of OPA all during the war, that they are almost getting disgusted because they do not have enough money to enforce the law, and I think Congress is largely to blame for that, because we have kept cutting down their appropriations. You average one enforcement officer to the county in 3,072 counties in the United States. And they cannot get more officers because they do not have the money. They do not have the money because Congress refused to give them the money. So it comes right back to us. I think Congress is responsible for it.

Mr. BUFFETT. You can accept Congress as being responsible for it, and I think Congress is, but in a different way than you think, perhaps. But we gave them \$150,000,000 perhaps, did we not?

Mr. PATMAN. Not enough. We cut the appropriation \$35,000,000 at one time.

Mr. BUFFETT. And within 60 days about half of their jobs disappeared.

Mr. PATMAN. And we cut them so much that it is impossible to do the job. Now, you have got both sides fighting OPA. One side that has always been for OPA is disgusted because they do not have the money, and the other side just wants black markets.

Mr. BUFFETT. Do you know of any case in history where a Government was able to enforce price ceilings when it was doing deficit spending for a period of time?

Mr. PATMAN. It was never attempted by any major power on earth.

Mr. BUFFETT. France attempted it for years.

Mr. PATMAN. I think generally a good job has been done. The value of the dollar today is 76 cents, and I believe it is more valuable than the money of any other country in the world.

Mr. BUFFETT. No one knows what the dollar is worth in terms of things except that you can buy on the black market at black market prices.

Mr. PATMAN. I am talking about things you can buy compared with what you paid before the war.

The CHAIRMAN. This seems to me to be not pertinent or relevant to the inquiry, and we want to adjourn in time to get to the House at noon. I suggest that we go ahead.

Mr. PATMAN. We have Mr. Goodloe.

Mr. HULL. I would like to ask a question, Mr. Chairman.

The CHAIRMAN. Mr. Hull.

Mr. HULL. Mr. Hutson, I did not hear your previous statement, consequently I do not know much about what you said about sugar. But I am opposed to that part of this resolution which goes on to put a subsidy on butter, and why is it brought in here? I cannot understand why it is brought in here on a sugar bill. The situation as to butter is growing more acute daily. Why must we continue paying 18 cents a pound more for butterfat in the form of cream than for it in the nature of butter? Many creameries are closing. You have got a bill in here for sugar. At the same time you want to decrease the amount of butter subsidies by \$75,000,000. I am opposed to it and I shall fight it on the floor as well as in committee. I do not know why you should bring in that part of your subsidy arrangements in connection with your sugar measure.

Mr. HUTSON. Well, I think the particular reason why the two items were connected is this—to conserve the time of the committee. Commodity Credit Corporation had a problem to meet in connection with sugar. RFC has a problem to meet in connection with some other commodities. They are all emergency problems. And, as I understand it, they were put together in one bill to bring them to the attention of the committee at one sitting, because it is related to the same general subject. I am not discussing the butter proposal at this time. Mr. Goodloe will take up the butter, and then, if you want me to come

back after he has explained the issue, I shall be glad to do so, but I was just addressing myself to the sugar part of the resolution.

Mr. HULL. I have no objection to the part of your resolution relating to sugar, because I do not know anything about it. But why you are bringing in butter, meats, flour, and all that kind of stuff, petroleum products, subsidies amounting to \$175,000,000, I do not know. That is done purely to let the eastern people get their oil and gas at normal prices. At the same time strike out \$75,000,000 of butter subsidy while creameries are closing because the Government refuses to give them the necessary relief. I do not like that part of your bill.

Mr. HUTSON. But I think action has already been taken. I think that particular sum of money, as Mr. Goodloe will no doubt explain, has been released because of an increase in the price of butter of some weeks ago, and a termination of certain of their payments. I do not think it contemplates any change.

Mr. HULL. But you are confirming that now by act of law, where heretofore it has been just a matter of Government order. I do not like the confusion of these things. As far as butter is concerned, you are not going to have any. It is going off the market. There is nobody making it. The only people making butter in the Northwest are those who are unable to ship cream, and you are going to put all those creameries out of business unless there is some change of policy. Eighteen cents margin is too much for any creamery to stand. I object to that part of your bill that brings in that butter situation.

Mr. CRAWFORD. Mr. Chairman, may I impose on the committee by asking Mr. Wilson a question before we close the sugar section of this bill?

The CHAIRMAN. Mr. Crawford.

Mr. CRAWFORD. Mr. Wilson, if a company manufacturing condensed milk wishes sugar, what is the limit on their requirement?

Mr. WILSON. That is handled, of course, by the Office of Price Administration, but I believe it is an output basis. There is not a fixed basis of rationing on that type of production. It is based on their expected production. I would like the OPA to confirm that.

Mr. GOODLOE. I have not got a rationing man here. But I will get one right over.

Mr. CRAWFORD. Well, that is all right.

Then, Mr. Wilson, if I understand you, if a manufacturer of condensed milk estimates that in the first quarter of 1946 its production will be equal to, or, we will say, more than the first quarter of 1945, he would probably be able to obtain the sugar for that estimated production? That is the way you understand it?

Mr. WILSON. That is right.

Mr. CRAWFORD. Now, that is my understanding of it, and what I wanted to bring out—and we will not take a lot of time discussing this, because it is something you can answer quickly—if an ice-cream manufacturer who is working on, say, a 60 percent sugar allowance, based on his 1945 performance, or 50 percent, or whatever it may be, is thus forced to reduce his production, and the condensed-milk man can get all the sugar he wants, and does not have to account for that sugar specifically, as to the end use, and in the condensed can, I think

the record will show, out in the country, that the condensed-milk man is taking that sugar, and instead of making condensed milk, he is putting it in ice-cream mix, and, in turn selling the mix to the ice-cream manufacturer, and in many cases it is costing the ice-cream manufacturer a premium of around \$29 per batch of ice cream turned out. Or, in other words, it runs into fantastic figures, with small plants. Now, if that is the situation—and I simply cite the case which was shown to me the other day in actual operation—I think it is a case where the OPA and the Sugar Division, generally, is supporting the condensed-milk manufacturer in carrying on what might be termed black-market operations with respect to sugar. But the OPA can give us some information on that later on.

Mr. TALLE. Mr. Chairman, may I ask a question?

The CHAIRMAN. Mr. Talle.

Mr. TALLE. Mr. Hutson, I think you stated at the outset that this was not a good time to remove subsidies.

Mr. HUTSON. No; I did not state any opinion on that point. I think my statement was this: That for this particular item Congress has authorized the use of \$225,000,000. We have, for the current fiscal year—now, this includes a lot of things other than sugar, it is for all crop operations—we have increased the price sufficiently, or an agreement has been reached—they have not actually been changed—that we can live within that \$225,000,000 limitation on this class of items, and at the same time we are giving attention to the entire subsidy issue and a little later want to discuss that with the entire committee for the period following June 30, knowing that it takes considerable time, both in the committee and the House, to discuss the broad subsidy issue, and also a considerable time in the Senate, and knowing also that we could not distribute any more sugar from these offshore areas until this matter is disposed of, I had hoped that we could dispose of this particular item and then take up the entire subsidy issue at a later time, since the total amount of money is not affected by the decision that you make.

Mr. TALLE. Are you prepared to state at this time what conditions you regard as favorable for the removal of subsidies?

Mr. HUTSON. Well, looking at it from the standpoint of farmers, they would like to see the subsidies eliminated just ahead of the time that the impact of the supplies would cause a decline in prices. They would not want the entire operation to hit them at one time, so they would have, at one time, a reduction in prices and also an elimination of the subsidies. The shock would be rather large.

Looking at it from the standpoint of the general level of prices, also, if we could find that particular time, that would be desirable, because it would leave us a relatively stable price level. It would not have prices going up and then coming down, and we are trying to find the time, in all our discussions over in the executive branch of the Government. And, as I say, we have reached some tentative conclusions as to schedules and times for eliminating them. But the domestic demands for goods have been greater—and particularly for food—than we had anticipated, resulting in consumption being some 5 percent more than we estimated it earlier.

The foreign demand has been somewhat greater than we had estimated, and we have had a rather firm price situation and consequently

no decline has taken place. As a matter of fact, farm prices now are the highest that they have been in 20 years. There has been very little weakening on the prices of any commodity. That is, average farm prices. Not all the commodities, but the average.

Mr. TALLE. Is it the policy, then, of the administration, and particularly the Department of Agriculture to watch for a time?

Mr. HUTSON. That is correct. We are giving very careful consideration to that and are working with the Office of Price Administration and the Office of Economic Stabilization to try to find the right time from both standpoints to eliminate the subsidies. It is going to be delayed somewhat more than we thought earlier, because of the change in the demand situation.

Mr. TALLE. Do you recall a great loss was to be incurred in our total sugar supplies at the outbreak of Japanese hostilities?

Mr. HUTSON. Yes; about a million tons.

Mr. TALLE. What has been done to restore that to domestic production?

Mr. HUTSON. That is, to restore production in the Philippines?

Mr. TALLE. To increase production here so as to bring about a total supply as great as before.

Mr. HUTSON. Well, some changes were made in prices, and subsidies were authorized to pay a producer somewhat more. They are getting nearly twice as much for the production of sugar beets as they got prior to the war.

Mr. TALLE. Well, I recall when that occurred, I was making a real effort to get increased quotas here, for all countries.

Mr. HUTSON. Well, there is no limitation on the quantity of sugar that can be produced in the United States. We are making every effort we can to get further increase of production. In the year 1945 we got some increase over previous years. Some further advance in production is being made in 1946. It has been as much a labor problem as anything else. It requires a great deal of hand labor in connection with beets and that has been perhaps a greater factor than the price factor. It is the uncertainty that the growers felt with respect to the obtaining of labor. We hope to get even more in 1946 from beets than we got in 1945, and that was substantially more than we got in 1944.

Mr. TALLE. That is all, Mr. Chairman.

Mr. WOLCOTT. Mr. Hutson, I would just like to clarify something in the language. As I understand it, in the first paragraph of the resolution before us you add the word "and 1946," to the phrase "1945 crop program operations"?

Mr. HUTSON. That is correct.

Mr. WOLCOTT. That is subsection (c) of section 3 of the existing law, Public Law 30, Seventy-ninth Congress. That reads as follows: This is in respect to the limitations in the amount which may be paid for subsidies:

and (3) \$225,000,000 with respect to the 1945 crop program operations.

It is proposed under this Resolution 301 to amend that so it will read:

and (3) \$225,000,000 with respect to 1945 and 1946 crop program operations.

Mr. HUTSON. That is correct, sir.

Mr. WOLCOTT. Now, is it your interpretation of this language, as contained in House Resolution 301, that the \$225,000,000 limitation in the act of April 12, 1945, Public Law 30, Seventy-ninth Congress, will cover the 1945 and 1946 crop program operations, or do we authorize the payment of \$225,000,000 for each of the years 1945 and 1946?

Mr. HUTSON. It is my understanding that the \$225,000,000 limitation applies to both years, not to each year separately. The total of the 2 years, as would be authorized by this resolution, according to my understanding, could not exceed \$225,000,000.

Now, there is some further provision in there with respect to shifting of funds from one item to another that would not be affected by this. But I am in agreement with your statement of the effect of the resolution.

Mr. WOLCOTT. I merely wanted to clarify the situation, that we are not authorizing the appropriation of \$225,000,000 for the 1946 crop program in addition to the \$225,000,000 which we have set up for the 1945 crop program operations.

Mr. HUTSON. It is my understanding that no additional funds are involved.

The CHAIRMAN. I asked that question earlier, and I believe everybody understood that the \$225,000,000 applied to both years.

Mr. WOLCOTT. I wanted to get it in the record.

The CHAIRMAN. If there is no further question from Mr. Hudson, we will call Mr. Goodloe, general counsel for the Reconstruction Finance Corporation.

STATEMENT OF JOHN D. GOODLOE, GENERAL COUNSEL, RECONSTRUCTION FINANCE CORPORATION

Mr. GOODLOE. Mr. Chairman, Mr. Hutson's remarks have been directed to clause (a) of this joint resolution, and mine will be directed to paragraphs (b) and (c), and at the beginning of my brief explanation, I would like to introduce in the record a letter to the Chairman of RFC from Judge Collet, Stabilization Administrator, asking us to appear before this committee in behalf of these items..

The CHAIRMAN. That will be inserted.

(The letter above referred to is as follows:)

OFFICE OF STABILIZATION ADMINISTRATOR,
Washington 25, D. C., January 16, 1945.

Hon. CHARLES B. HENDERSON,
Chairman of the Board,

Reconstruction Finance Corporation, Washington 25, D. C.

DEAR MR. HENDERSON: From your letter of January 9, 1946, transmitting a schedule of expenditures, estimated losses, and estimated requirements in connection with subsidy payments under Public Law No. 88, Seventy-ninth Congress, it appears that the allocations provided for meat and flour will be insufficient to continue these programs until the end of the fiscal year.

In recent weeks I have been seriously concerned with the general question of the relationship of subsidy to the stabilization program. Our plans call for the continuance of the meat subsidy programs until the end of the fiscal year, and it will probably be necessary to supplement the flour subsidy program, which must be terminated under Reconstruction Finance Corporation regulation No. 4 as of March 1, 1946, by a further program extending through June 30, 1946. Both of these programs are critical for the stabilization program. I have concluded,

therefore, after consultation with other interest agencies, that we should at once request the Congress to authorize a transfer to these programs of some of the unused funds allocated for other purposes.

Attached is a draft of a proposed joint resolution which would accomplish this transfer. The provision for increasing the amounts allocated to meat and flour is coupled in this draft with two other provisions. The first is designed to extend the subsidy authority of the Commodity Credit Corporation to 1946 crop-program operations. This proposed legislation has already been separately approved by the Director of War Mobilization and Reconversion as well as by this Office. The second would authorize the purchase by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter. This provision has been approved by the Director of War Mobilization and Reconversion pursuant to section 202 of the Reconversion Act.

We have previously discussed and agreed upon the appropriateness of combining these three points in the same resolution.

I should very much appreciate your assistance in the submission of this proposal to the Bureau of the Budget and to the appropriate congressional committees.

Sincerely yours,

J. G. COLLET, *Stabilization Administrator.*

Mr. GOODLOE. Clause (b) relates solely to purchases of tin ore and tin concentrates for the continued operation of the Texas City tin smelter. As you probably recall, that smelter was built for wartime purposes and is the only tin smelter in the Western Hemisphere.

To date it has been operated on Bolivian ores, which are not as high grade as the ores that some day will again be available from the Far East.

The continued operation of the tin smelter has been recommended by the Director of War Mobilization and Reconversion under section 202 of the Reconversion Act.

Our present supply contracts for the necessary ore and concentrates are beginning to expire and all of them will expire by June 30. We would like to begin negotiations for new contracts.

We are not in a position to do that for delivery after June 30, by reason of the limitations imposed in Public Law 88, Seventy-ninth Congress. For that reason we are asking that that specific operation be exempted from that provision. The purpose, again, is not to open up at this time the general subsidy question relating to operations for the next fiscal year, or for the period beginning July 1, next.

Mr. WOLCOTT. Mr. Chairman, may I clarify the fact that the Texas City tin smelter is owned by the RFC?

Mr. GOODLOE. That is correct, and operated for the account of the RFC.

Mr. WOLCOTT. And it is the only tin smelter in the United States.

Mr. GOODLOE. The only one, sir, I believe, in the Western Hemisphere.

Mr. WOLCOTT. So that you are not differentiating between different tin smelters that might be in the United States and giving any advantage to the Texas City tin smelter over any other that might exist, because none other exists?

Mr. GOODLOE. That is correct.

Mr. WOLCOTT. Do any others exist under our control?

Mr. GOODLOE. I believe not, sir.

The CHAIRMAN. What do you estimate that the requirements would be, in this particular case, in money?

Mr. GOODLOE. Well, for the fiscal year ending June 30 next, the losses taken on the purchased ore and processing are estimated to run around \$12,000,000, and it is not thought that there will be much change within the next fiscal year. I might say this: That had we not included this operation in the original estimates under Public Law 88, Seventy-ninth Congress, it might be considered as being outside that limitation, anyway, because the loss is not a subsidy paid to anybody, nor is it a loss occasioned by buying and selling something. It is a loss occasioned by buying the raw material at a price which, when you add your smelting charges, gives you a total cost on your processed product, raw tin, which is more than the current OPA ceiling price. In that sense it is somewhat similar to the synthetic-rubber program where it is a manufacturing operation and results in some loss but is not regarded as an operation within the so-called Taft amendment to the Price Control Act.

The CHAIRMAN. Do you estimate that when you can obtain the ore from the East Indies that the loss will be less or that you could operate it at a profit?

Mr. GOODLOE. The losses will be less. At what point it will be possible to operate the tin smelter in the black is not known. We certainly hope that within a period of time that will be possible.

Mr. BROWN. Why are you at this time decreasing the subsidies on meat and flour and not on dairy products and other products?

Mr. GOODLOE. I would like to discuss that.

Mr. BROWN. I do not think much of this piecemeal business.

Mr. GOODLOE. Well, here is the problem on that, Mr. Brown: the Congress made available \$595,000,000 for the meat subsidy program for the period ending June 30 next. As of November 30, there had actually been paid out \$171,000,000, and the estimate, to go to June 30 would require an additional \$490,000,000. In other words, a total of about \$675,000,000, which if we continue that program until June 30 next, would leave us short about \$120,000,000.

Mr. BROWN. With the other products, dairy products, you had enough for it; is that it?

Mr. GOODLOE. No; I am going to explain that in a moment. That would mean that in order to continue the meat program until June 30, as was originally contemplated, when Public Law 88 was passed, we would need an additional \$120,000,000. That cost is running around \$59,000,000 per month.

On flour, the situation is somewhat similar. To continue the program to June 30 would cost about \$208,000,000, whereas the limitation in the present law is \$190,000,000. In other words, there is another prospective deficiency of about \$20,000,000.

That is the reason for asking that the amount available for meat be increased by \$125,000,000, and the amount for flour by \$25,000,000, merely to permit the continuation of the present program up to June 30. Whether they are continued thereafter will, of course, depend on what action the Congress takes both with respect to the extension of price control as well as the subsidy question generally.

Now, on petroleum and petroleum products, the Congress originally placed a limitation of \$290,000,000. All of the petroleum subsidy operations have been curtailed and eliminated except the stripper well subsidy program.

Mr. BROWN. I understand that, Mr. Goodloe. But did we not give you all that you asked for wheat and flour?

Mr. GOODLOE. Yes, sir; but as sometime happens, the amount that was estimated at that time will not prove sufficient to carry the program to June 30.

Mr. BROWN. What I am getting at, is why give preferential treatment to these two items and not give it to the other. In other words, you do not have enough money for the dairy products and the other products?

Mr. GOODLOE. Yell, the only dairy program we ever had was the original roll-back on butter of 5 cents a pound. Last fall that was discontinued and the price ceiling increased correspondingly, so that we are not now making any payments for dairy products, and the reason for including the decrease on petroleum and butter is that neither of those sums will be needed, and we thought that this committee might be interested in seeing that at the same time we were asking for \$150,000,000 increase on meat and flour, that there was more than a corresponding reduction on petroleum and butter. In other words, this would result in a net over-all decrease of a hundred million dollars in the amount originally made available to us for subsidy payments during the current fiscal year.

Mr. BROWN. I understand that, but if you are going to need money for other items, why did you not put that in here, too?

Mr. GOODLOE. Well, this is all. There is in here all that we think we will need until June 30.

Mr. BROWN. That is what I wanted to know.

Mr. GOODLOE. And the authority for making this type of subsidy is 2 (e) of the Emergency Price Control Act which, by its terms, expires June 30. So I do not think the committee would entertain a proposal, if you will pardon my saying so, for money beyond June 30.

Mr. BROWN. My question extended to June 30.

The CHAIRMAN. You carried out the program, Mr. Goodloe, as originally formulated for butter and petroleum?

Mr. GOODLOE. That is correct.

The CHAIRMAN. And you have had this excess that you are not necessarily going to spend?

Mr. GOODLOE. That is correct.

Mr. WOLCOTT. Mr. Chairman, is this not the conclusion? In the act we have authorized \$568,000,000 for operations during the fiscal year ending June 30, 1946, with respect to the dairy production program. Is this \$75,000,000 reduction for butter a part of that?

Mr. GOODLOE. No, sir; that may be what concerned Mr. Brown. The clause (a) of this joint resolution is the only part of that that affects the act of April 12, 1945, which was the act that made available certain funds to Commodity Credit Corporation. The balance of it, clauses (b) and (c), relates only to Public Law 88, Seventh-ninth Congress, which was a separate piece of legislation, handled about the same time by the same committees, which provided certain limitations with respect to purchases and sales at a loss and subsidy payments by the Reconstruction Finance Corporation. So that the reduction of \$75,000,000 is confined solely to the amount previously made available to RFC for the payments on butter and in nowise affects the amounts previously made available to the Department of Agriculture for butter or any other dairy product.

Mr. HULL. But this is what they call the roll-back subsidy?

Mr. GOODLOE. Yes.

Mr. WOLCOTT. Now, you will bring that in here in connection with another measure. You are proposing later to take up the whole question. Why not wait until you get to the whole proposition instead of squeezing it in here on a sugar bill or something of that kind?

Mr. GOODLOE. We have no earthly objection to striking that part of the legislation, which reduces the amounts available for petroleum and petroleum products and for butter.

Mr. WOLCOTT. Well, I do not know much about petroleum products.

Mr. GOODLOE. We have enough money within the limitation, even with the \$175,000,000 lopped off, to continue the only petroleum program that is now in operation, or is now contemplated, through June 30. We have no program on butter.

Mr. WOLCOTT. I think you seem to set up a different policy with respect to different items. You are not continuing the butter subsidy. There seems to be now a feeling, which there has been for some time, that Congress should be advised of the action taken by OPA and the Department of Agriculture with respect to butter prices. So we can assume that there was an increase in the price of butter to offset the fact that we are not paying a subsidy. Immediately the question is going to be asked of us: if they do that in respect to butter, then, why is it necessary to increase the subsidy for meat by \$125,000,000 and flour by \$25,000,000? Why not do the same thing as we have done in the case of butter? Why do we adopt one policy for butter and another policy for meat and flour?

What is your policy going to be with respect to the payment of subsidies on butter?

Mr. GOODLOE. I am not qualified to speak with respect to the question of policy involved. As you know, the role we in RFC have with respect to these is to pay those subsidies that are determined to be paid under the stabilization program.

Mr. WOLCOTT. As I understand it, it would be perfectly all right if we reduced the butter subsidy authorization by \$75,000,000, because there is going to be an increase in the price of butter. But we are asked to give another \$125,000,000 to continue the subsidies on meat because we are not going to increase the price of meat.

Mr. BROWN. As I understand, Mr. Wolcott, he needs this \$125,000,000 for meat and \$25,000,000 for flour until June 30; is that correct?

Mr. GOODLOE. That is correct, sir, and we do not need the other money.

Mr. WOLCOTT. Well, why did you not continue the subsidy on butter, then, to June 30? You are going to raise the price to 18 cents now because you took off a 5-cent subsidy, which is something I cannot understand, but perhaps it can be justified.

Mr. GOODLOE. And at the time we discontinued our subsidy of 5 cents a pound there was an increase in the price ceiling of 5 cents a pound.

Mr. HULL. And that is going to the processor.

Mr. WOLCOTT. How do you reconcile these two policies, that is what I am getting at? How are we going to explain to the country that we are continuing the subsidies on meat but discontinuing the policy of subsidy payments on butter?

Mr. GOODLOE. Well, the subsidy program for which the \$75,000,000 was made available on butter has long been discontinued.

Mr. WOLCOTT. Because they stopped paying subsidy on butter?

Mr. GOODLOE. That is correct.

Mr. WOLCOTT. And if you stopped paying the subsidy on meat, you would not have to have the \$125,000,000, and you perhaps would be asking us to reduce the amount which was authorized to pay meat subsidies in the same way?

Mr. GOODLOE. Well, as I said before, there is not the slightest objection to eliminating both of these provisions, reducing the amount available for petroleum and for butter.

Mr. WOLCOTT. That does not correct the situation. The situation is that before this committee can act intelligently on this problem, it seems to me that we have to establish now, once and for all, what our policy is going to be with respect to these food prices. Are we going to continue to pay subsidies? Or are we going to take the subsidies off and let the prices go up? We have been cooperating to the fullest extent in this committee of Congress in giving the administration all the authority it asked for to hold this price line. Now, we are getting very much concerned that the administration is not using those powers to do the job which we thought they were going to do. We have always been in favor of price control. All through the war, OPA has taken the the attitude and, in general, we think they have done a good job, they have been able to help control inflation. It was not ever expected that they would be able to control inflation by price controls alone but we recognized price control as a very material factor in the controlling of prices and inflation.

Now, the country is confused as to what the policy is going to be. We have increased in production costs, and increases in prices to absorb production costs. That is just the thing we have been fighting all of these months, and when we suggested it in respect to a few items, 5 cents on butter, we will say, or a cent somewhere else, to get production during the war, we were called inflationists. And now, all of a sudden, it becomes the policy of the administration to increase prices to absorb production costs.

Now, where is the check against high prices in that program?

Here you have two entirely different philosophies of inflation control in this one paragraph.

Mr. GOODLOE. Well, I was not aware, sir, that subsection (c) involved any philosophy at all. It merely is that on meat and flour they are to be continued—

Mr. WOLCOTT. Well, all right. In one particular the Congress decides that we shall not pay subsidies. In the same paragraph we decide that we shall continue a subsidy program. Now, there is so much confusion in public thinking today that the Congress should not be called upon to contribute to it.

Mr. GOODLOE. The decision is not to continue petroleum subsidies other than stripper wells and the decision to not continue the 5-cent subsidy on butter were decisions which were made many months ago and are now in effect.

Mr. WOLCOTT. I understand.

Mr. GOODLOE. So that in removing that money, you are just recognizing a fact, you are not determining a policy. That policy has already been determined, and it is in effect.

Mr. WOLCOTT. Yes; we are confirming a policy established by the administration, in two respects, two entirely directly contrary respects.

Mr. GOODLOE. Well, let us eliminate it.

Mr. WOLCOTT. No; you cannot correct it by elimination of what is in there now. We do not correct anything by eliminating the \$75,000,000 for butter and \$175,000,000 for petroleum products. We just add to the dilemma by reason of the fact that we put our stamp of approval on a policy of Government which is merely adding to the confusion in this transition period, and, Lord knows, that Congress should not be asked to be confused merely because the administration might be confused. We are here, and we have got to assume some degree of leadership from now on, as I get the picture, and surely this Congress should not be called upon, if the administration made a mistake, to confirm those mistakes and add to the confusion.

Mr. GOODLOE. Well, you may recall that the President at the time he signed Public Law 88, Seventy-ninth Congress, which made this money available, made the statement that the subsidy programs would be removed as rapidly as conditions would permit. As a result last fall the subsidy programs on petroleum and petroleum products, with the exception of the stripper well production program, was discontinued and the program of 5 cents a pound on butter, which was handled by the RFC, was discontinued.

Mr. WOLCOTT. How will you justify permission to remove the subsidies on butter and then raise the price 18 cents? In the face of that, how would you justify the continuance of the payment of subsidy on meat? Why do we not raise the price of meat? Now, understand, I am not arguing the advisability of either policy, but what I am trying to do is to be consistent and adopt some definite policy in respect to what we are going to do with regard to food. It seems to me that this is terribly confusing. It is confusing to me, at least. I think surely, having been a member of this committee all these years, I have had to give some consideration to this problem, and I think probably there is available to me as much information as there is to the general public, so, being confused myself, I surely cannot blame the general public for being confused.

Mr. BROWN. Mr. Wolcott, does the law provide that they can use that to eliminate the subsidies?

Mr. HULL. But as long as this \$75,000,000 is in here, they can put that subsidy back.

Mr. WOLCOTT. Why, certainly.

Mr. HULL. But if you strike it out. The RFC says we have stopped that. We have saved \$75,000,000.

Mr. WOLCOTT. Yet, if we strike it out, to make available that, the Congress reaffirms its position with respect to the subsidy for holding prices and the President will be justified in saying, "We wanted to remove the subsidies as rapidly as we could, but Congress stopped us from doing it." I think we should know definitely what the policy is before we go ahead with this bill, because this is going to be the guide for future action.

The CHAIRMAN. What was the original subsidy on butter? A hundred million dollars?

Mr. GOODLOE. Yes.

The CHAIRMAN. A hundred million dollars?

Mr. GOODLOE. Yes, sir.

The CHAIRMAN. So you have only used \$25,000,000 of that amount, and \$75,000,000 of it you desire to—it seems to me it is a condition that confronts you. I do not think we are ratifying anything in any sense. We are cutting off the subsidies that already existed. \$75,000,000 on butter and \$175,000,000 on petroleum products, and there is no change in the policy which has been adopted with reference to meat and flour, is there? There is going to be no increase in subsidy? You find it is necessary to have this increase in order to carry out the program as originally formulated; is that not true?

Mr. GOODLOE. That is correct.

The CHAIRMAN. It is not a ratification of any change in subsidy, but merely carrying out a policy that has been adopted by the Congress, and it is only to carry this subsidy over to the time originally designated that you find you need a little more money for that purpose, and you find, under the circumstances, you do not need the money that was originally allocated for butter and petroleum products; is that not the whole gist of the thing?

Mr. GOODLOE. That is correct. It might be summarized this way: We are coming back now to this committee and saying that on meat and flour we need \$150,000,000 in excess of what you gave us last year. At the same time we are saying to the committee: "We do not need \$250,000,000 that you gave us for something else, and at the time you give us \$150,000,000 more than we need for meat and butter and flour, you might curtail \$250,000,000."

Mr. WOLCOTT. That is perfectly understandable, but what is not understandable is why the Administration adopts one policy with respect to certain foods and another policy with respect to others.

Mr. HUTSON. I would like to say just a word on that, Mr. Wolcott, as to how we happened to stop the subsidy payment on butter. There were two items in this bill with relation to dairy products. One was an item of \$563,000,000 for Commodity Credit Corporation, and another \$100,000,000 for butter.

When the group representing the Department of Agriculture and the Office of Price Administration and the Office of Economic Stabilization got together and made up a schedule for the elimination of these, it happened that this was put as one of the top priorities because of the somewhat larger subsidies paid in connection with butter than some other items, it was decided to advance the price there 5 cents a pound and eliminate this item, and that was one of the first steps to be taken. Certain other steps were to be taken at a later time in the case of some of the commodities that were not subsidized so heavily.

In the meantime, it had been estimated that the cost of living could be held relatively steady without any change, and comply with this general schedule that was agreed upon. Because of these changes in the demand situation to which I referred, it appeared that it was necessary to reexamine this. So that the terminations could not be made in the case of meat. You still have, under the Commodity Credit item, butter as one of the most heavily subsidized items.

Mr. WOLCOTT. Mr. Hutson, who is this meat subsidy paid to?

Mr. HUTSON. This subsidy in the RFC, which is the bulk of the subsidy, is paid to the packers.

Mr. WOLCOTT. All right. Now, there is not a packing house in the United States which is operating today because of the strikes for increase in wages, or the demand for increase in wages, is predicated upon the fact that the packers can absorb the increase, that it is not necessary to pass that on to the public. So you see how very confusing this might be, with respect to that very delicate issue, which is in balance today, and which might result in the Government having to take over the packing houses. Can the packers absorb increased production costs if the subsidy is continued or do we have to raise the price of the commodity if we do not pay the subsidy? So, in the settlement of the labor dispute of the packers today, have we got to decide as a matter of policy whether we shall continue to pay the subsidy and can the increase in wages be justified without the continuance of the subsidy?

All of these things which have come up this morning are of such importance that I do not see how we can possibly act on this bill without knowing definitely what the Government policy, what the administration's policy, is going to be in respect to absorption of increased production costs, wages, in most instances, by an increase in prices or by the continuance of our policy to pay subsidies. I think the public should know, and has a right to know, whether the Government, by subsidies, is going to be called upon to pay the increase in labor costs. That is very important in the settlement of this dispute.

I want to see the men getting everything they possibly can in the way of remuneration for their labor, but we, in the Government, have got to decide, as a matter of policy, whether the Government is going to absorb those increased production costs or whether we are going to pass them on to the general public. I do not see how we can give consideration to this bill until some of those very fundamental problems are out of the way and solved.

Mr. HUTSON. I can understand where there might be some confusion on this butter item, since the resolution does not carry the full amounts authorized for the dairy products. I thought that Mr. Goodloe had suggested a happy solution to the problem, that is, that we might be able to work out a wording here with you that would not mention the dairy products thing. It is quite a thing. And so take only those things that were to be affected, and leave only those, leave that as it is, without referring to that at all in this. We could fix up a wording that would do that, and still let us go ahead and carry out the full program. It is very difficult to make these estimates of the beginning of a year to meet conditions that are continually changing.

Mr. WOLCOTT. Well, let us assume that tomorrow the packers and the men get together and decide upon a certain increase in wages, which, of course, would be reflected in production costs and would raise the question as to how that is going to be absorbed. Let us assume that the Government decided that the packers cannot absorb the increased production costs and, therefore, that that has to be passed on to the general public by way of an increase in the meat prices. Then, we have got to decide the question as to how we are going to hold the line, whether we offset that increase in prices by subsidies or let the prices go up. Now, as a matter of policy, if we are going to let prices go up to absorb increased production costs, then, of course,

we should give consideration to letting prices go up sufficiently to absorb the amount which we have been paying in subsidies. The whole thing is out of balance today. I do not see how we can take up this legislation at this time.

Mr. BROWN. What difference would it make if they did not get the \$125,000,000?

Mr. WOLCOTT. Mr. Goodloe's answer, I think, is based upon the fact that they were paying an average of \$59,000,000 a month, and the amount they have now would not be sufficient so that they could continue the program up to June 30.

Mr. BROWN. How much have they spent up to now? How much have you spent on meat up to now, Mr. Goodloe?

Mr. GOODLOE. As of November 30, there have been disbursed \$171,000,000, and it is running around \$59,000,000 a month. In other words, it is an estimate of \$490,000,000 additional to June 30.

Mr. SMITH. How much have you left for the payment of subsidies? Meat subsidies?

Mr. GOODLOE. \$371,000,000 as of November 30.

Mr. BROWN. I do not see how you can very well estimate how much you will need. I think you are in the dark just as much as we are, because if we do have a strike, and if you do give more wages, you are going to need more than \$125,000,000.

The CHAIRMAN. We do have a strike.

Mr. GOODLOE. These estimates are based on the continuation of the present program until June 30.

Mr. BROWN. Present prices?

Mr. GOODLOE. Present situation generally.

Mr. WOLCOTT. It might not be necessary to continue that in view of the possibility of a settlement in the meat strike.

Mr. GOODLOE. I would not know.

Mr. BROWN. You might have to come back and ask for more.

Mr. HUTSON. Well, since this sugar matter is so urgent, I wonder if the committee would care to consider—and I have discussed this with Mr. Goodloe here—striking section (c) and going into that more fully? Unless they changed the program, you could certainly get action before the first of June and maybe a little earlier. But since this other is an emergency, you might consider the striking of the whole section (c) and passing on (a) and (b), which clears us up on sugar.

The CHAIRMAN. Would that be satisfactory: to vote out today the bill with reference to sugar and take the other matters up later? Sugar and tin, that is.

Mr. GOODLOE. That is satisfactory, Mr. Chairman, but I want to mention one thing, unless action is taken with respect to flour, the flour program will have to be terminated by February 18.

The CHAIRMAN. Could we not include the flour?

Mr. BROWN. I suggest we meet again in a few days.

Mr. FOLGER. Mr. Chairman, I have proposed an amendment to 301 as follows: on page 2, line 8, strike out the words "and butter," and after the figures "\$175,000,000," strike out "and \$75,000,000." That takes it into consideration. Petroleum is easily explained, because that subsidy was, in part, a transportation cost. And now it relates only to the matter of stripper wells, which does not involve any policy at all.

Mr. HULL. I have no objection to that amendment.

Mr. WOLCOTT. That does not solve the problem.

Mr. FOLGER. We will solve the policy problem later on. This is an emergency matter here and it does not interfere with the policy at all.

The CHAIRMAN. We will have to meet to discuss it again later.

Mr. WOLCOTT. We might as well meet in the next few days and take the matter up again.

The CHAIRMAN. This is an emergency, as I understand it.

Mr. WOLCOTT. He says the President is going to mention it in his 25,000 words today. I would like to know what the President has to say about it before we act on it.

Mr. SMITH. Mr. Chairman, I would like to ask a question.

Mr. PATMAN. Let us agree on the sugar and tin. We can do that.

Mr. WOLCOTT. Well, that may be all right.

The CHAIRMAN. We will agree today on sugar and tin.

Mr. PATMAN. I make a motion, Mr. Chairman, to report out a bill to that effect.

Mr. SMITH. Does that strike the meat subsidy?

The CHAIRMAN. It does not affect the meat subsidy at all.

Mr. PATMAN. It leaves it out?

The CHAIRMAN. Allows them to continue the Texas City smelter and the sugar subsidy.

Mr. WOLCOTT. As I understand it, it cuts out all after the semicolon after the words "smelter tin."

The CHAIRMAN. I think that is all right.

Mr. WOLCOTT. I do not think any of us wants to close the door against consideration of this question.

Mr. HUTSON. If there were a way to get a subcommittee to consider this flour thing a little bit and could take up a little more time.

The CHAIRMAN. All in favor of the bill as suggested by the motion say "Aye."

(Chorus of "Aye.")

The CHAIRMAN. Contrary?

(No response.)

The CHAIRMAN. The Chairman will be authorized to take such action as may be necessary for the speedy consideration of the emergency portions of the bill as outlined by Mr. Folger's motion.

(Whereupon, at 12:30 p. m., the committee adjourned.)

(The following letter is submitted for the record by Chairman Spence:)

DEPARTMENT OF AGRICULTURE,
Washington, January 16, 1946.

Hon. SAM RAYBURN,
Speaker, House of Representatives.

DEAR MR. SPEAKER: At the present time Commodity Credit Corporation is carrying out subsidy operations pursuant to section 3 of the act of April 12, 1945 (59 Stat. 50), with respect to sugar of the 1945 and prior crop years, in order to maintain existing price ceilings on sugar and to make adequate supplies of sugar available in the American market for the essential civilian, military, and foreign commitments of the United States. The existing limitations on subsidy operations by Commodity Credit Corporation preclude any such operations with respect to 1946 crops, including, of course, sugar. The 1946 crop of sugarcane is now being harvested in Hawaii and Puerto Rico.

Because of the extremely acute situation with respect to world supplies of sugar, the Department of Agriculture on August 1, 1945, announced a price-support program for growers of sugarcane and sugar beets of 1946 crop under which

subsidies would be paid, contingent upon authorization by the Congress of subsidy operations by Commodity Credit Corporation with respect to 1946 crops. This announcement was deemed necessary to encourage the production of the required quantities of sugarcane and sugar beets. It is essential to carry out these programs in order to assure the maximum production of sugar in Hawaii and Puerto Rico.

The fulfillment of the commitments made by the Secretary of Agriculture subject to congressional approval, with respect to subsidy payments on 1946 crops of sugarcane in Hawaii requires approximately \$12,100,000 in subsidy payments. The fulfillment of such commitments with respect to the Puerto Rican crop will require approximately \$13,300,000. The amounts presently authorized to be expended for subsidies in section 3 of the act of April 12, 1945, *supra*, are sufficient to permit the proposed payments with respect to the 1946 crop of sugarcane in Hawaii and Puerto Rico, and it will not be necessary to authorize the expenditure of additional amounts to meet the requirements of these programs if the authorization contained in section 3 is amended to include 1946 crops.

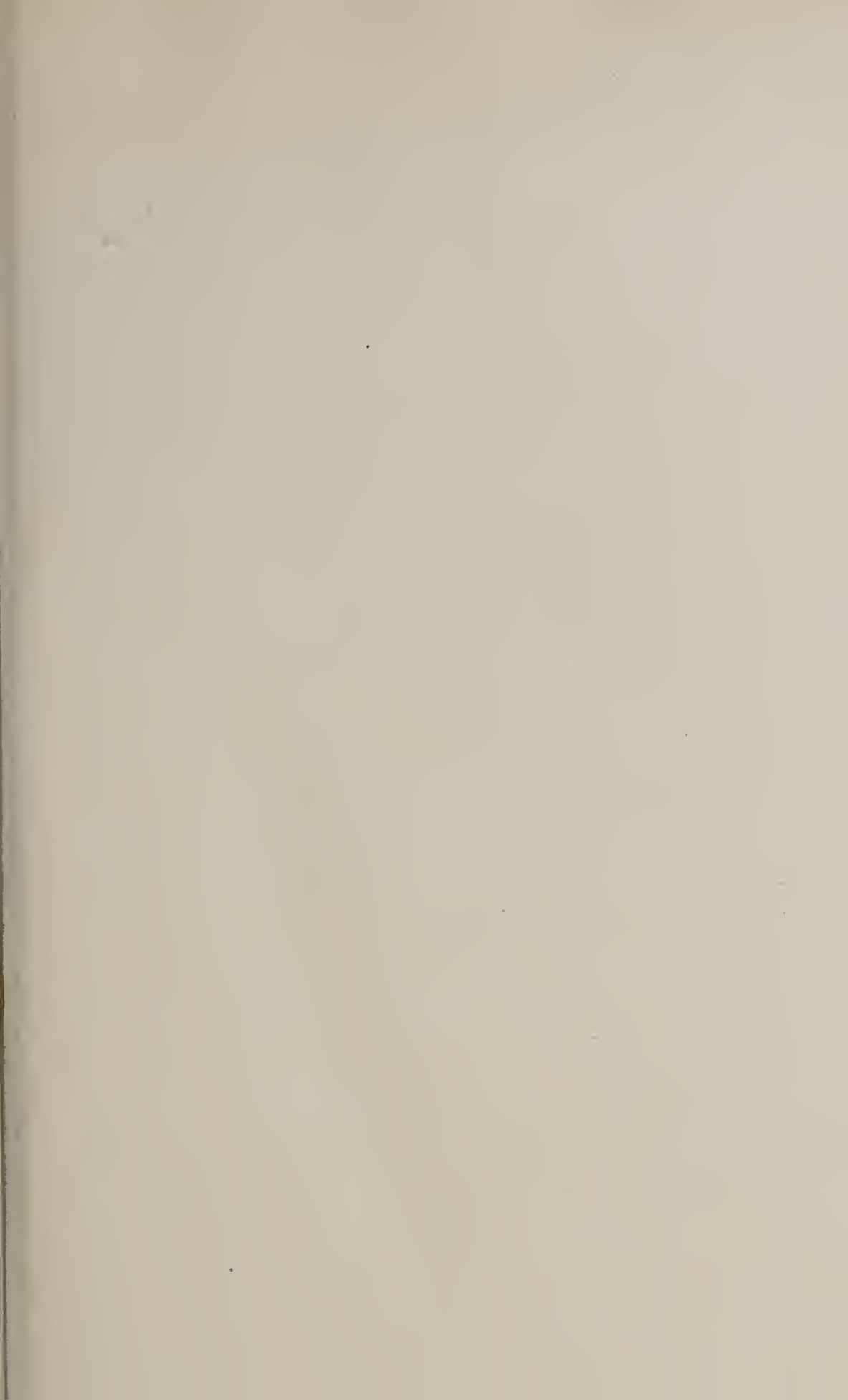
This Department cannot overestimate the gravity of the situation with respect to sugar supplies and the necessity for encouraging the maximum production, harvesting, and processing of sugarcane. A decision has been reached to permit an increase of one-half cent per pound in market prices of refined sugar at this time. This price increase substantially reduces the amount of funds required for subsidy payments on sugar beets and sugarcane. If legislation authorizing the payment of subsidies with respect to 1946 crop sugar is not adopted, the alternative would be a drastic revision of domestic ceiling prices which would seriously impair the existing stabilization program.

The Bureau of the Budget advises that it has no objection to this submission.

Sincerely yours,

J. B. HUTSON, *Acting Secretary.*

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Federal Works Agency. "In recommending a reduction of \$60,000 in the estimate of \$360,000 for this [Administrator's] office the committee has allowed a sum of \$4,028 less than the current appropriation, taking into consideration the necessity for providing \$38,263 additional for Pay Act increases under Public 106. In making this substantial reduction the committee reiterates its opposition to the financing on a large scale of a supervisory agency, the primary function of which is to coordinate activities of two highly efficient organizations which are to a marked degree able and self-sufficient and require little or no direction from a superagency."

2. A.A.A.; TOBACCO. Passed with amendment H.R. 5135, to amend the AAA Act so as to increase the penalty on over-quota tobacco and give the Secretary of Agriculture the right to reduce tobacco quotas for the 1946 crops (p. 226). Agreed to Rep. Flannagan's (Va.) amendment to reduce the over-quota tobacco penalty from 50% to 40% and to exempt flue-cured tobacco from penalty until 1947.
3. SUBSIDIES; SUGAR. The Banking and Currency Committee reported with amendment H.J. Res. 301, to amend Public Law 30, 79th Cong., so as to authorize payment of subsidies on the 1946 sugar crop (H.Rept. 1486), (p. 243).
4. RESEARCH; FUR-BEARING ANIMALS. Discussed and passed over on objection H.R. 2115, to transfer fur-bearing animal activities to this Department (pp. 222-3).
5. RURAL REHABILITATION. Passed over on objection H. R. 2501, to authorize the Secretary of Agriculture to continue administration and ultimately liquidate Federal rural rehabilitation projects (p. 224).
6. POLITICAL ACTIVITIES. Discussed and passed over on objection H.R. 1118, to amend the Hatch Act so as to authorize CSC to decide penalties for the violation of this Act (pp. 223-4).
7. BOULDER CANYON PROJECT. Passed without amendment H.R. 4932, to amend the Boulder Canyon Project Act so as to provide for settlement of veterans on reclamation lands (pp. 225-6).
8. U.S.E.S. The Labor Committee reported without amendment H. R. 4437, to provide for the return of public employment offices to State operation (H. Rept. 1487) (p. 243). The Rules Committee reported a resolution for the consideration of this bill (p. 243).
9. CLAIMS. Passed over on objection H.R. 181, to provide for the adjustment of certain tort claims against the U.S. and to confer jurisdiction in respect thereto on the U.S. district courts (p. 222).
10. PRICE CONTROL; INFLATION. Rep. Patman, Tex., spoke favoring retention of price controls, discussed the dangers of inflation, and included OWMR Director Snyder's and other statements on the subject (pp. 236-40).
11. FARM PRICES. Rep. Rankin, Miss., stated that if farmers received a return for their labor comparable to the wages paid in industry, prices of cotton, corn, wheat, hogs, etc. would be exorbitantly high (p. 221).
12. SURPLUS PROPERTY. Rep. Rogers, Fla., criticized the system of surplus-property disposal (p. 218).

SENATE

13. F.E.P.C. Continued debate on S. 101, the FEPC bill (pp. 187-216). During the debate Sen. Wiley, Wis., questioned the advisability of the application of this bill to farm labor (p. 194).

BILLS INTRODUCED

14. EMPLOYMENT. H. R. 5203, by Rep. Hoffman, Mich., to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy; and to protect the right to work. To Labor Committee. (p. 243.)
15. PHYSICALLY HANDICAPPED. H. R. 5206, by Rep. Sparkman, Ala., to establish a Federal Commission for the Physically Handicapped and to define its duties. To Labor Committee. (p. 243.) Remarks of author (p. 220).

ITEMS IN APPENDIX

16. FOOD PRICES. Rep. Stevenson, Wis., inserted a tabulation of comparative food prices for 1939 and 1945 in LaCrosse, Wis. (p. A170).
17. PRICE CONTROL. Extension of remarks of Rep. Miller, Nebr., opposing the continuance of OPA and including an Omaha (Nebr.) Morning World-Herald editorial on the subject (pp. A155-6).
Rep. LeVevre, N.Y., inserted a National Retail Lumber Dealers' Assn. article claiming that OPA control of lumber prices is retarding the housing program (p. A174).
18. HOUSING. Rep. Rabin, N.Y., inserted F. D. Roosevelt Jr.'s radio address on the seriousness of the housing shortage (pp. A158-9).
19. SURPLUS PROPERTY. Reps. Gavin (Pa.) and Clason (Mass.) inserted an American Legion resolution and a letter urging an investigation of the surplus-property disposition to veterans (p. A162, A176).

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COMMITTEE-HEARINGS ANNOUNCEMENTS for Jan. 23: H. Appropriation, agriculture bill(ex); H. Banking and Currency, Patman housing bill (Collett to testify); H. Rules, school-lunch program, independent offices appropriation bill; USES; Unofficial Committee on cotton; S. Atomic Energy; S. Education and Labor, minimum wages (ex.); S. Military Affairs; scientific research agency (ex.); Conference on full-employment bill.

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For supplemental information and copies of legislative material referred to call Ext. 4654, or send to Room 113 Adm. Arrangements may be made to be kept advised, routinely, of developments on any particular bill.

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the Speaker's table and referred as follows:

963. A letter from the Acting Secretary, Department of State, transmitting a draft of a proposed bill to permit the appointment of additional foreign-service officers in the classified grades; to the Committee on Foreign Affairs.

969. A letter from the Attorney General, transmitting a report reciting the facts and pertinent provisions of law in the cases of 86 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under the authority vested in the Attorney General, together with a statement of the reason for such suspension; to the Committee on Immigration and Naturalization.

970. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1947, in the amount of \$1,500,000, for the Panama Canal, in the form of an amendment to the Budget for said fiscal year (H. Doc. No. 417); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar as follows:

Mr. JARMAN: Committee on Printing. Senate Concurrent Resolution 43. Concurrent resolution providing for the printing of additional copies of the hearings held before the Joint Congressional Committee on the Investigation of the Pearl Harbor Attack; without amendment (Rept. No. 1483). Referred to the House Calendar.

Mr. HENDRICKS: Committee on Appropriations. H. R. 5201. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1947, and for other purposes; without amendment (Rept. No. 1484). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLANNAGAN: Committee on Agriculture. S. 765. An act concerning the establishment of meteorological observation stations in the Arctic region of the Western Hemisphere for the purpose of improving the weather-forecasting service within the United States and on the civil international air transport routes from the United States; without amendment (Rept. No. 1485). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. House Joint Resolution 301. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; with amendment (Rept. No. 1486). Referred to the Committee of the Whole House on the State of the Union.

Mr. RANDOLPH: Committee on Labor. H. R. 4437. A bill to provide for the return of public employment offices to State operation, to amend the act of Congress approved June 6, 1933, and for other purposes; without amendment (Rept. No. 1487). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HOFFMAN:

H. R. 5202. A bill to protect employees and employers engaged in interstate and foreign commerce; to the Committee on Labor.

H. R. 5203. A bill to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce; to diminish unemployment; to establish a national policy for assuring continuing employment in a free competitive economy and to protect the right to work; to the Committee on Labor.

By Mr. BROOKS:

H. R. 5204. A bill to provide for a proposed system for retirement of members of the Reserve forces of the Army of the United States; to the Committee on Military Affairs.

By Mr. EDWIN ARTHUR HALL:

H. R. 5205. A bill relating to the base pay of enlisted men of the Army, Navy, Marine Corps, and Coast Guard; to the Committee on Military Affairs.

By Mr. SPARKMAN:

H. R. 5206. A bill to establish a Federal Commission for the Physically Handicapped, to define its duties, and for other purposes; to the Committee on Labor.

By Mr. BLAND:

H. Res. 490. Resolution providing additional compensation for certain employees in the Office of the Doorkeeper; to the Committee on Accounts.

By Mr. GOODWIN:

H. Res. 491. Resolution creating a select committee to investigate the policy of the War Department retarding demobilization; to the Committee on Rules.

By Mr. RANDOLPH:

H. Res. 492. Resolution for the consideration of H. R. 4437, a bill to provide for the return of public employment offices to State operation, to amend the act of Congress approved June 6, 1933, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN of New York:

H. R. 5207. A bill for the relief of the Gluckin Corp.; to the Committee on Claims.

By Mr. BYRNE of New York:

H. R. 5208. A bill for the relief of Michael J. Keaveney and Mary C. Keaveney; to the Committee on Claims.

By Mr. COFFEE:

H. R. 5209. A bill for the relief of Archie A. Plante and Earl T. Creech; to the Committee on Claims.

By Mrs. LUCE:

H. R. 5210. A bill for the relief of Mrs. Yvonne Nguyen-Thi-Tung Rogoff; to the Committee on Immigration and Naturalization.

By Mr. McDONOUGH:

H. R. 5211. A bill for the relief of Lorrayne E. Graus; to the Committee on Claims.

By Mr. McMILLAN of South Carolina:

H. R. 5212. A bill for the relief of the dependents of Cecil M. Foxworth, deceased; to the Committee on Claims.

H. R. 5213. A bill for the relief of G. B. Gardner; to the Committee on Claims.

By Mr. RYTER:

H. R. 5214. A bill for the relief of John Petrizzo; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1481. By Mr. CANNON of Missouri: Petition of Mr. Herbert R. Wallenbrock and numerous representative citizens of St. Charles, Mo., relative to redeployment and demobilization; to the Committee on Military Affairs.

1482. Also, petition of Mrs. Elmer Koch and numerous representative citizens of St. Charles, Mo., relative to redeployment and demobilization; to the Committee on Military Affairs.

1483. By Mr. EATON: Resolution of the New Jersey Bar Association, protesting against curtailing of jurisdiction of the several district courts of the United States; to the Committee on the Judiciary.

1484. Also, resolution of the Association of the Sons of Poland, approving adoption of House Concurrent Resolution 109; to the Committee on Foreign Affairs.

1485. By Mr. HAVENNER: Petition of 283 citizens of San Francisco and other parts of California, urging the adoption of House Concurrent Resolution 89, which reads as follows:

"Resolved by the House of Representatives (the Senate concurring), That the Congress hereby express itself that anti-Semitism and other forms of hate propaganda directed against racial or religious groups, which arrays creed against creed, and race against race, is a potent weapon in the hands of the enemies of this country and of its institutions; that the spreading of this Hitlerite ideology destroys the unity of this Nation, creates discord among our people, and is a threat to our future peace and security. Whosoever conducts or participates in such propaganda is un-American and is undermining the foundations upon which our Nation was founded, therefore, there can be no place in the lives or thoughts of true Americans for such ideology."

To the Committee on the Judiciary.

PUERTO RICAN AND HAWAIIAN 1946 SUGAR CROP; TEXAS
CITY TIN SMELTER

JANUARY 22, 1946.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency,
submitted the following

R E P O R T

[To accompany H. J. Res. 301]

The Committee on Banking and Currency, to whom was referred the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the joint resolution, as amended, do pass.

EXPLANATION

Section 2 (e) of the Emergency Price Control Act of 1942, as amended, forbids the making of subsidy payments, or purchases of a commodity for the purpose of sale at a loss, except pursuant to an appropriation therefor by the Congress. Section 3 of the act of April 12, 1945 (59 Stat. 50), contains an authorization for this purpose available for 1945-crop program operations of the Commodity Credit Corporation.

The crops of sugarcane now being harvested in Puerto Rico and Hawaii, although planted and grown in 1945, are known as 1946 crops. In order to secure urgently needed increases in the quantity of sugarcane planted in 1945 for harvest in 1946, announcement of a price-support program for these crops was made, subject to congressional authorization, prior to the Japanese surrender. In order to permit Commodity Credit Corporation to make the price-support payments with respect to the 1946 Puerto Rican and Hawaiian sugar crops, it is necessary to extend the authorization made for subsidies on crop-year crops with respect to 1945-crop program operations to make it available with respect to 1946-crop program operations. This the bill does.

The committee has been advised that the price of refined sugar will be increased one-half cent per pound early in February. After this increase becomes effective, there will be a loss of about six-tenths cent per pound on sugar brought into the United States from Puerto Rico and Hawaii. The enactment of this bill is necessary before this sugar brought in from Puerto Rico and Hawaii can be sold and distributed to consumers in the United States. Stocks of sugar are low, particularly in the eastern and southern parts of this country, and sugar will not be available to meet present ration requirements unless an immediate and constant supply from the Caribbean is assured.

The funds heretofore authorized for 1945 crops are thus made available with respect to both 1945- and 1946-crop program operations, but no additional funds are authorized.

The effect of clause (b) is to permit the continued operation of the Texas City tin smelter by the Reconstruction Finance Corporation without regard to the limitations imposed by the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, and the act of June 23, 1945 (59 Stat. 260). With the enactment of this provision the Reconstruction Finance Corporation will be permitted to make purchases of tin ores and tin concentrates for delivery beyond June 30, 1946, thus insuring production of tin, which is now in short supply, during the reconversion period. The Director of War Mobilization and Reconversion has determined, pursuant to section 202 of the War Mobilization and Reconversion Act of 1944, that the operation of the tin smelter is necessary for the national defense and will benefit the Government.

For the present the committee decided to postpone consideration of clause (c), which changes the allocations for subsidies and anticipated losses, provided in the act of June 23, 1945 (59 Stat. 260), by increasing the dollar amounts for meat and flour and decreasing the dollar amounts for petroleum and petroleum products and butter. Accordingly, the committee amended the joint resolution by inserting the word "and" before "(b)" in line 7, page 1, and by deleting clause (c) beginning line 2, page 2.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule VIII of the Rules of the House of Representatives, changes in existing law made by the bill as introduced are shown as follows (new matter is printed in italics; existing law, in which no change is proposed, is shown in roman):

Section 3 of the act of April 12, 1945 (59 Stat. 50):

SEC. 3. The last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended by the Stabilization Extension Act of 1944, shall not apply to the operations of the Commodity Credit Corporation for the fiscal year ending June 30, 1946: *Provided*, That the making of subsidy payments and the buying of commodities for resale at a loss, by the Commodity Credit Corporation, shall be limited as follows: Obligations for making such payments and absorbing such losses may be incurred and paid by the Commodity Credit Corporation (a) in such amounts as may be necessary (1) to complete operations with respect to 1944 and prior year crop programs and (2) to fulfill obligations incurred prior to July 1, 1945, with respect to 1945 and prior fiscal year noncrop programs; and (b) in amounts which do not involve subsidy payments or losses in excess of (1) \$568,000,000 for operations during the fiscal year ending June 30, 1946, with respect to the dairy production payment program, (2) \$120,000,000 for operations

during the fiscal year ending June 30, 1946, with respect to other noncrop programs, including the feed-wheat program, and (3) \$225,000,000 with respect to the 1945 and 1946 crop program operations: *Provided*, That not to exceed 10 per centum of each amount specified in clauses (b) (1), (2), and (3) shall be available interchangeably for the operations described in such clauses but in no case shall the total subsidy payments and losses absorbed under any one of such clauses be increased by more than 10 per centum: *Provided further*, That in carrying out the dairy production payment program, beginning April 1, 1945, the rate of payment per pound of butter fat delivered shall not be less than 25 per centum of the national weighted average rate of payment per one hundred pounds of whole milk delivered.



79TH CONGRESS
2^D SESSION

H. J. RES. 301

[Report No. 1486]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 1946

Mr. SPENCE introduced the following joint resolution; which was referred to the Committee on Banking and Currency

JANUARY 22, 1946

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That (a) section 3 of the Act of April 12, 1945 (59 Stat.
4 50), is hereby amended by deleting in clause (b) (3) of
5 said section, the words "1945 crop program operations", and
6 by inserting, in lieu thereof, the words "1945 and 1946
7 crop program operations"; *and* (b) neither the last para-
8 graph of section 2 (e) of the Emergency Price Control Act
9 of 1942, as amended, nor the Act of June 23, 1945 (59
10 Stat. 260), shall be construed to apply to purchases by the

1 Reconstruction Finance Corporation of such tin ores and
2 concentrates as it deems necessary to insure continued oper-
3 ation of the Texas City tin smelter; and ~~(e)~~ the allocations
4 provided in the Act of June 23, 1945 (59 Stat. 260), in-
5 volving subsidies and anticipated losses, are hereby changed
6 by increasing the dollar amounts provided for meat and
7 flour by \$125,000,000 and \$25,000,000, respectively, and
8 by decreasing the amounts provided for petroleum and
9 petroleum products and butter by \$175,000,000 and \$75,-
10 000,000, respectively.

79TH CONGRESS
2^D SESSION

H. J. RES. 301

[Report No. 1486]

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

By Mr. SPENCE

JANUARY 18, 1946

Referred to the Committee on Banking and Currency

JANUARY 22, 1946

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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 5, 1946; for actions of Monday, February 4, 1946)

(For staff of the Department only)

CONTENTS

Alcohol.....	22	Labor.....	3,17,24	Reports.....	12
Animal industry.....	4	Lands, public.....	14	Research.....	4,16,21
Appropriations.....	9,13	Loans, farm.....	23	Rubber.....	22
Executive authority.....	24	Patents.....	7	Rural rehabilitation...	5,23
F.E.P.C.....	11	Personnel.....	6,9,15	Subsidies.....	1
Foreign relations.....	10	Prices.....	2,18	Sugar.....	1
Forestry.....	21	Points of order.....	13	Taxation.....	18
Fruits and vegetables.	2,24	Public works.....	12	Trade, foreign.....	10
Health.....	12,20	Property, surplus.....	11	Transportation.....	8
Inflation.....	18	Relief, foreign.....	10,19	Veterans.....	11

HIGHLIGHTS: House passed joint resolution extending subsidy authorizations to 1946 crops, to permit Puerto Rican and Hawaiian sugar purchases by CCC. Rep. Phillips, Calif., criticized OPA price ceilings on citrus fruits, charging misrepresentation of facts on prices and disagreement between OPA's and Department's figures.

HOUSE

1. SUBSIDIES; SUGAR. Passed as reported H. J. Res. 301, to extend to the 1946 crops the subsidy authorizations provided for the 1945 crops to permit CCC to make price-support payments on 1946 Puerto Rican and Hawaiian sugar crops (pp. 853-4).
2. PRICES; CITRUS FRUITS. Rep. Phillips, Calif., criticized the OPA price ceilings on citrus fruits, inserted tables showing comparative prices, and charged that the OPA's figures do not agree with those of this Department, that "ceiling prices quoted by OPA are false" (pp. 880-6).
3. LABOR. Continued debate on H.R. 4908, the labor fact-finding bill, and H.R. 5262, to provide additional facilities for the mediation of labor disputes (pp. 856-78).
4. ANIMAL INDUSTRY; RESEARCH. Passed over, on objection of Reps. Kean (N.J.), Cole (N.Y.), and Angell (Oreg), H.R. 2115, transferring activities relating to the domestic raising of fur-bearing animals from Interior to this Department (p. 851).
5. RURAL REHABILITATION. Passed over, on objection of Reps. Kean (N.J.), Cole (N.Y.), and Cunningham (Iowa), H.R. 2501, to authorize the Secretary to continue administration of and ultimately liquidate Federal rural rehabilitation projects (p. 852).
6. PERSONNEL. The Rules Committee reported a resolution for the consideration of H.R. 1118, to authorize the CSC to determine penalties for violation of the Hatch Political Activities Act (pp. 851, 887).

7. PATENTS. Passed over without prejudice, H.R. 5223, to extend temporarily the time for filing applications for patents, for taking action in the U.S. Patent Office with respect to the making of inventions, etc. (p. 855).
8. TRANSPORTATION. Passed as reported, H.R. 2764, to amend section 409 of the Interstate Commerce Act, with respect to the utilization of freight forwarders of the services of common carriers by motor vehicles (pp. 855-6).
9. PERSONNEL; APPROPRIATION. Received from the President 1946 supplemental appropriation estimates for increases in pay of Federal employees granted by Public Law 106 (H. Doc. 437). The estimates cover several departments and agencies, including \$20,030,000 for this Department (p. 708, Cong. Rec., Jan. 31).

SENATE

10. FOREIGN RELATIONS. Sen. Capper, Kans., inserted a Farm Bureau statement favoring FAO, foreign food relief, gradual reduction in international trade barriers and expansion of the international commodity agreements (p. 813).
11. F.E.P.C. Continued debate on S. 101, the FEPC bill (pp. 822-38, 842-5). During the debate Sens. Stewart (Tenn.) and Johnston (S.C.) spoke favoring "a great many amendments" to the GI Bill of Rights and criticized administration of surplus-property disposal (pp. 830-4).
12. REPORTS. Received RFC's July 1945 report (to Banking and Currency Committee), Federal Works Agency's annual report for the fiscal year 1945 (to Education and Labor Committee), and Federal Security Agency's fiscal year 1945 annual report of the U.S. Public Health Service (to Finance Committee) (p. 817).

BILLS INTRODUCED

13. APPROPRIATIONS; POINTS OF ORDER. H. Res. 503, by Rep. Lanham, Tex. (Jan. 31), to amend House Rule 21, to provide that no appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law, unless in continuation of appropriations for projects already in progress, and that a question of order may be raised on an appropriation not previously authorized by law (p. 703).
14. PUBLIC LANDS. S. 1789, by Sen. McCarran, Nev., granting to the State of Nevada certain public lands in such State for the use and benefit of public institutions of the State. To Public Lands and Surveys Committee. (p. 819.)
H.R. 5361, by Rep. Rooney, N.Y., to permit the city of New York to maintain a road over Federal land. To Military Affairs Committee. (p. 887.)
15. PERSONNEL; APPOINTMENTS. H.R. 5363, by Rep. McCormack, Mass., to provide benefits for certain U.S. employees who are veterans of World War II and lost opportunity for probational civil-service appointments by reason of their service in the armed forces. To Civil Service Committee. (p. 887.) Remarks of author (pp. 850-1).
16. ATOMIC ENERGY. H.R. 5364, by Rep. Douglas (Calif.), and H.R. 5365, by Rep. Holifield (Calif.), for the development and control of atomic energy. To Military Affairs Committee. (p. 887.)
17. LABOR. H.R. 5367, by Rep. Hays, Ark., to protect interstate and foreign commerce by providing for the prompt, peaceful, and just settlement of labor controversies between employers and employees; and to establish the rights and

to the widow or widower; second, if decedent left no widow or widower, or the widow or widower be dead at time of settlement, then to the children or their issue, per stirpes; third, if no widow, widower, or descendants, then to the father and mother in equal parts; fourth, if either the father or mother be dead, then to the one surviving; fifth, if there be no widow, widower, child, father, or mother at the date of settlement, then to the brothers and sisters and children of deceased brothers and sisters, per stirpes: *Provided*, That this act shall not be so construed as to prevent payment from the amount due the decedent's estate of funeral expenses, provided a claim therefor is presented by the person or persons who actually paid the same before settlement by the accounting officers.

SEC. 2. Section 507 (a) of the Public Health Service Act (58 Stat. 682) is amended by striking out the words "the amount due the decedent's estate is less than \$1,000 and."

SEC. 3. The following statutes or parts of statutes are hereby repealed: The last paragraph under the heading "Back pay and bounty" in chapter 200, Thirty-fifth Statutes at Large, 317 (which paragraph is the fourth paragraph on p. 373), as amended.

With the following committee amendment:

Page 2, after line 24, insert the following: "SEC. 4. The paragraph of the act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes,' approved June 30, 1906 (34 Stat. 750), as amended by the act of December 7, 1944 (58 Stat. 795), which related to the settlement of accounts of deceased officers and enlisted men of the Army, is amended to read as follows:

"Hereafter in the settlement of the accounts of deceased officers or enlisted persons of the Army, where no demand is presented by a duly appointed legal representative of the estate, the accounting officers may allow the amount found due to the decedent's widow, widower, or legal heirs in the following order of precedence: First, to the widow or widower; second, if decedent left no widow or widower, or the widow or widower be dead at time of settlement, then to the children or their issue, per stirpes; third, if no widow, widower, or descendants, then to the father and mother in equal parts; fourth, if either the father or mother be dead, then to the one surviving; fifth, if there be no widow, widower, child, father, or mother at the date of settlement, then to the brothers and sisters and children of deceased brothers and sisters, per stirpes: *Provided*, That this act shall not be so construed as to prevent payment from the amount due the decedent's estate of funeral expenses, provided a claim therefor is presented by the person or persons who actually paid the same before settlement by the accounting officers."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates."

A motion to reconsider was laid on the table.

ARCTIC WEATHER REPORTING STATION

The Clerk called the bill (S. 765) concerning the establishment of meteorological observation stations in the Arctic

Region of the Western Hemisphere, for the purpose of improving the weather forecasting service within the United States and on the civil international air transport routes from the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to improve the weather forecasting service of the United States and to promote safety and efficiency in civil air navigation to the highest possible degree, the Chief of the Weather Bureau, under the direction of the Secretary of Commerce, shall, in addition to his other functions and duties, take such action as may be necessary in the development of an international basic meteorological reporting network in the Arctic region of the Western Hemisphere, including the establishment, operation, and maintenance of such reporting stations in cooperation with the State Department and other United States governmental departments and agencies, with the meteorological services of foreign countries and with persons engaged in air commerce.

SEC. 2. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUERTO RICAN AND HAWAIIAN 1946 SUGAR CROP; TEXAS CITY TIN SMELTER

The Clerk called House Joint Resolution 301, to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. KEAN. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the Committee on Banking and Currency if this bill is going to cost new money or whether the money already in the fund is going to be used?

Mr. SPENCE. Mr. Speaker, the bill merely carries forward the program of 1945 of the Commodity Credit Corporation with reference to sugar to the year 1946. The purpose of the bill is to permit the Commodity Credit Corporation to buy the sugar of Puerto Rico and Hawaii, which amounts to about 2,000,000 tons, about one-third of the total consumption of the United States, and permit the sale of that sugar. It will be sold at a slight loss, and will cost about \$25,000,000, but this is absolutely essential if we are going to have an adequate supply of sugar.

There is a great shortage of sugar on the east coast, in fact there is a shortage of sugar throughout the United States, and it is the hope of the administration if this bill passes we will obtain enough sugar to meet the needs of the people of the United States. The bill was reported by the committee without objection.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I was interested in this matter and I asked Mr. Hudson when he was on the stand whether the \$225,000,000 which was made available for the 1945 program would carry over for the 1946 program or whether this bill contemplated a new appropriation of \$225,000,000 for the 1946 program. He gave a very definite answer to the effect that the 1946 subsidy would be paid out

of the original appropriation of \$225,000,000 and that there was no new money authorized in the bill.

Mr. KEAN. Under those circumstances I will withdraw my reservation of objection.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, I want to say that the testimony we had before the Agricultural Appropriations Committee with reference to this item is quite in concurrence with what the gentleman has said.

Mr. CHURCH. Mr. Speaker, reserving the right to object, the chairman of the Committee on Banking and Currency spoke of the cost being \$25,000,000. Does he mean a loss of \$25,000,000?

Mr. SPENCE. There will be an increase in the price of sugar at the mill, as I understand it, of a half cent per pound. The sugar will be sold, I think, at a loss of six-tenths of a cent per pound. It is absolutely necessary to do this in order to get the supply of sugar.

Mr. CHURCH. Amounting to a loss of how much?

Mr. SPENCE. Twenty-five million dollars. There is no need for an appropriation. They have the funds already, but to be frank, I think it will cost about \$25,000,000. There is another provision in here with reference to the Texas City tin smelter, which is absolutely essential in order to continue the production of tin during the reconversion period. I earnestly hope there will be no objection to the bill.

Mr. SABATH. Mr. Speaker, reserving the right to object, I have the utmost confidence, and I know the House has, in the gentleman from Kentucky, and I know that whatever he aims to do is for the best interest of the country. But I did not hear his explanation as to the cost of the sugar to the housewives.

Mr. SPENCE. It will be very, very little. I could not tell the gentleman how much the increase will amount to but it will be very little. The alternative is that the housewife will not get any sugar at all.

Mr. SABATH. And it is absolutely necessary to pay the additional amount for Cuban sugar so that the housewives can obtain it?

Mr. SPENCE. This is not Cuban sugar that we contemplate purchasing. It is Puerto Rican and Hawaiian sugar.

Mr. SABATH. And under this bill we will be able to get this sugar from our possessions?

Mr. SPENCE. That is true. This relates only to Hawaiian and Puerto Rican sugar, and this is about one-third of our national consumption, amounting to about 2,000,000 tons. The subsidy authorized by this bill to the Texas City tin smelter to continue its operation will amount to about \$12,000,000 a year. The Texas City tin smelter is the only tin smelter in the Western Hemisphere. Its production has been as follows:

	Long tons
Total production Texas City tin smelter from Apr. 1, 1942 (beginning of operations) to Jan. 1, 1946	107,433
Current monthly production pig tin:	
December 1945	3,676
November 1945	3,612
October 1945	3,557

	Long tons
Average monthly production for last quarter	3,615
Civilian Production Administration for calendar year 1946 of domestic consumption of pig tin on a restricted basis (i e., under existing CPA controls)	70,000
The estimated monthly production of the tin smelter for calendar year 1946	3,800
This is estimated total production for 1946 ¹	45,609
¹ Approximately 65.1 percent of estimated 1946 consumption.	

It is obvious the continued operation of the Texas City tin smelter is absolutely necessary for the reconversion program.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That (a) section 3 of the act of April 12, 1945 (59 Stat. 50), is hereby amended by deleting in clause (b) (3) of said section, the words "1945 crop program operations", and by inserting in lieu thereof, the words "1945 and 1946 crop program operations"; and (b) neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter; and (c) the allocations provided in the act of June 23, 1945 (59 Stat. 260), involving subsidies and anticipated losses, are hereby changed by increasing the dollar amounts provided for meat and flour by \$125,000,000 and \$25,000,000, respectively, and by decreasing the amounts provided for petroleum and petroleum products and butter by \$175,000,000 and \$75,000,000, respectively.

With the following committee amendments:

Page 1, line 7, after the semicolon, insert the word "and."

Page 2, strike out the remainder of the joint resolution after the word "smelter" in line 3.

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARINE INSURANCE

The Clerk called the bill (H. R. 1519) relating to marine insurance in the case of certain employees of the Army Transport Service who suffered death, injury, or other casualty prior to April 23, 1943, as a result of marine risks.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That effective as of March 24, 1943, section 2 (b) of the act of March 24, 1943, entitled "An act to amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes," is amended to read as follows:

"(b) Whenever the Administrator, War Shipping Administration, finds that, on or after October 1, 1941, and before 30 days after the date of enactment of this subsection, a master, officer, or member of the crew of, or any persons transported on, a vessel owned by or chartered to the Maritime Commission or the War Shipping Administration or operated by, or for the account of, or at the

direction or under the control of the Commission or the Administration, or operated by the Army Transport Service, has suffered death, injury, detention, or other casualty, for which the War Shipping Administration would be authorized to provide insurance under Subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended by this act, the Administrator may declare that such death, injury, detention, or other casualty, shall be deemed and considered to be covered by such insurance at the time of the disaster or accident, if the Administrator finds that such action is required to make equitable provision for loss or injury related to the war effort and not otherwise adequately provided for: *Provided*, That in making provision for insurance under this subsection the Administrator shall not provide for payments in excess of those generally provided for in comparable cases under insurance hereafter furnished under the said Subtitle—Insurance of title II, as amended: *Provided further*, That any money paid to any person by reason of insurance provided for under this subsection shall apply in pro tanto satisfaction of the claim of such person against the United States arising from the same loss or injury. The declarations, findings, and actions of or by the Administrator under this subsection shall be final and conclusive."

With the following committee amendment:

Strike out all after the enacting clause and insert "That effective as of March 24, 1943, section 2 (b) of the act of March 24, 1943, entitled 'An Act to amend and clarify certain provisions of law relating to functions of the War Shipping Administration, and for other purposes,' as amended, is amended to read as follows:

"(b) Whenever the Administrator, War Shipping Administration, finds that, on or after October 1, 1941, and before 30 days after the date of enactment of this subsection, a master, officer, or member of the crew of, or any persons transported on, a vessel owned by or chartered to the Maritime Commission, the War Shipping Administration, or the War Department or operated by, or for the account of, or at the direction or under the control of the Commission, the Administration, or the War Department, has suffered death, injury, detention, or other casualty, for which the War Shipping Administration would be authorized to provide insurance under subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended by this act, the Administrator may declare that such death, injury, detention, or other casualty, shall be deemed and considered to be covered by such insurance at the time of the disaster or accident, if the Administrator finds that such action is required to make equitable provision for loss or injury related to the war effort and not otherwise adequately provided for: *Provided*, That in making provision for insurance under this subsection the Administrator shall not provide for payments in excess of those generally provided for in comparable cases under insurance hereafter furnished under the said subtitle—Insurance of title II, as amended: *Provided further*, That any money paid to any person by reason of insurance provided for under this subsection shall apply in pro tanto satisfaction of the claim of such person against the United States arising from the same loss or injury. There shall be no recovery of any money paid on account of insurance provided for the master, officers, or members of the crew of, or individuals transported on, any vessel under this subsection or under subtitle—Insurance of title II of the Merchant Marine Act, 1936, as amended, from any person who in the judgment of the Administrator, War Shipping Administration, is without fault, and when in the judgment of the Administrator such recovery would defeat the purposes of benefits otherwise authorized or would be against

equity and good conscience. The declarations, findings, and actions of or by the Administrator under this subsection shall be final and conclusive."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill relating to marine insurance in the case of certain employees of the War Department who suffered death, injury, or other casualty prior to April 23, 1943, as a result of marine risks."

A motion to reconsider was laid on the table.

EXEMPTING THE NAVY DEPARTMENT FROM STATUTORY PROHIBITIONS AGAINST THE EMPLOYMENT OF NON-CITIZENS

The Clerk called the bill (S. 1618) to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, the appropriation bill for the Navy Department for the fiscal year 1946 contained a provision that none of the funds can be used to pay the wages or salaries of any person who is not a citizen of the United States. The Navy Department desires to take advantage of the knowledge and skill of certain scientists of former enemy countries and to bring them here to continue studies in various fields of military science. This bill is designed to make that possible. I read in the press that the Navy has already engaged scientists from foreign countries, have them here in this country, and apparently have made some satisfactory arrangements for paying the salaries of these people, and therefore it seems questionable whether such a bill as this is necessary.

Mr. VINSON. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield to the gentleman from Georgia.

Mr. VINSON. The distinguished gentleman from New York is aware of the fact that there is a prohibition in the appropriation bill that they cannot pay salaries unless this bill is enacted into law, and this is merely extending to the Navy Department the same right that the War Department enjoys today.

Mr. COLE of New York. Perhaps the chairman of the committee can advise the House under what conditions and how it is possible that the Navy already has these scientists in this country and doing the work that they desire to have done?

Mr. VINSON. I will say, Mr. Speaker, that I read the same article in the paper, and I know of no law by which the Navy Department can pay the salaries of these scientists that are brought in, because section 206 of the appropriation act prohibits it, and I doubt very seriously whether the Navy Department is seeking to pay the salaries, else, they would not have this bill before the House.

Mr. COLE of New York. It is curious to me that the Navy would come to Congress asking permission to do this thing and at the same time go ahead and do the

226
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H. J. RES. 301

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Banking and Currency

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and
for other purposes.

1 *Resolved by the Senate and House of Representatives*
2 *of the United States of America in Congress assembled,*
3 That (a) section 3 of the Act of April 12, 1945 (59 Stat.
4 50), is hereby amended by deleting in clause (b) (3) of
5 said section, the words "1945 crop program operations", and
6 by inserting, in lieu thereof, the words "1945 and 1946
7 crop program operations"; and (b) neither the last para-
8 graph of section 2 (e) of the Emergency Price Control Act
9 of 1942, as amended, nor the Act of June 23, 1945 (59
10 Stat. 260), shall be construed to apply to purchases by the
11 Reconstruction Finance Corporation of such tin ores and
12 concentrates as it deems necessary to insure continued oper-
13 ation of the Texas City tin smelter.

Passed the House of Representatives February 4, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

79TH CONGRESS
2^D SESSION

H. J. RES. 301

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

FEBRUARY 5 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on
Banking and Currency

**1946 MODIFICATIONS IN THE AUTHORIZATION FOR
CERTAIN SUBSIDIES**

HEARINGS

BEFORE THE

COMMITTEE ON BANKING AND CURRENCY

UNITED STATES SENATE

SEVENTY-NINTH CONGRESS

SECOND SESSION

ON

H. J. Res. 301

A JOINT RESOLUTION TO AMEND PUBLIC LAW 30
OF THE SEVENTY-NINTH CONGRESS,
AND FOR OTHER PURPOSES

FEBRUARY 21 AND 22, 1946

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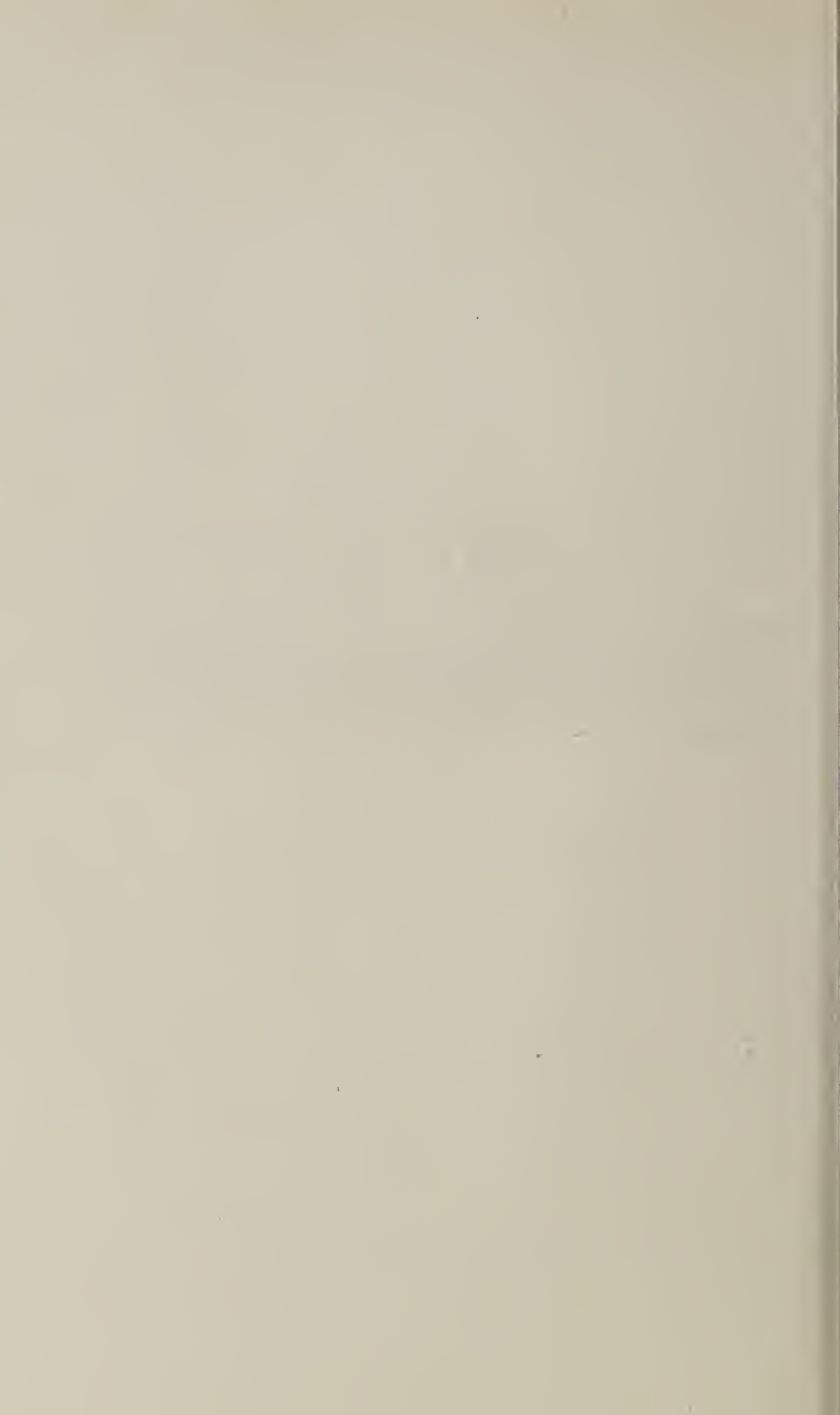
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CONTENTS

Statement of—	Page
Earl B. Wilson, Director, Sugar Branch, Production and Marketing Administration, Department of Agriculture.....	2
J. B. Hutson, Administrator, Production and Marketing Administration, Department of Agriculture.....	2
John D. Goodloe, general counsel of the Reconstruction Finance Corporation.....	7



1946 MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

THURSDAY, FEBRUARY 21, 1946

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee met at 10:30 a. m., pursuant to call, in room 301 Senate Office Building, Senator Alben W. Barkley, presiding.

Present: Senators Barkley (presiding), McFarland, Murdock, Carville, Taft, Butler, Capper, and Millikin.

Present also: Representative Phillips of California.

Senator BARKLEY (presiding). The committee will be in order.

The resolution under consideration is to amend Public Law 30.

(Copy of above resolution is as follows:)

[H. J. Res. 301, 79th Cong., 2d sess.]

JOINT RESOLUTION To amend Public Law 30 of the Seventy-ninth Congress, and for other purpose

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the Act of April 12, 1945 (59 Stat. 50), is hereby amended by deleting in clause (b) (3) of said section, the words "1945 crop program operations", and by inserting, in lieu thereof, the words "1945 and 1946 crop program operations"; and (b) neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the Act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

Passed the House of Representatives February 4, 1946.

Attest:

SOUTH TRIMBLE, Clerk.

Is there anybody here who wishes to say anything about this joint resolution?

Representative PHILLIPS. I am Congressman John Phillips, a Representative in Congress from the Twenty-second District of California.

Senator TAFT. Do we not need to have the whole bill explained first? I have three or four objections.

Senator BARKLEY. If there is anybody here representing the Department, it would, perhaps, be better to hear them, too.

Senator MURDOCK. Well, I doubt that there is very much opposition to a continuation, or to the adoption of this resolution. Immediately on its passage in the House I was contacted by four or five processors of sugar beets. I have been trying in the last 10 days, ever since the passage of this, to get that problem cleared up with the Office of Price Administration. It has been pending over there for 10 months without anything having been done. I have worked as diligently as any Member of Congress could to try and get something worked out before this was called up so it would not have to be delayed.

I have come to the conclusion that before this does pass, these persons should have an opportunity to come here this morning. I did not know this was coming up until just before I left the office.

I suggest that a subcommittee of three or five members be appointed to begin hearings in the morning. I think they can be finished by Friday.

Senator BARKLEY. Tomorrow is Friday.

Senator MURDOCK. Pardon me. I mean Saturday. Today is Thursday.

So far as I am concerned, as one member of the committee, I must object and I do object to consideration of this resolution without giving these people a chance to be heard.

Senator TAFT. Which resolution are we considering?

Senator BARKLEY. House Resolution 301 which is similar to Senate Resolution 134.

Senator TAFT. Except that it leaves the figure at \$125,000,000.

Senator BARKLEY. Is there any objection to hearing Mr. Gordon and Mr. Hutson while they are here?

Senator MURDOCK. I have no objection to their making a statement. I do think that when the beet processors are here that they should come back.

Senator BARKLEY. I think the committee should get a general idea now.

Senator TAFT. There are two or three questions that I should like to raise.

Senator BARKLEY. Mr. Hutson, which one of you wants to go first?

Mr. HUTSON. The first item is a sugar item. Mr. Earl B. Wilson, Director of the Sugar Branch, Production and Marketing Administration, can best explain what is involved.

**STATEMENTS OF EARL B. WILSON, DIRECTOR, SUGAR BRANCH,
PRODUCTION AND MARKETING ADMINISTRATION, DEPART-
MENT OF AGRICULTURE AND J. B. HUTSON, ADMINISTRATOR,
PRODUCTION AND MARKETING ADMINISTRATION, DEPART-
MENT OF AGRICULTURE**

Senator BARKLEY. You all know Mr. Hutson.

Senator TAFT. It seems to me the amendment is much broader than sugar. It covers all 1946 operations. Otherwise we are now stepping into the field involved after the 1st of July, which is highly controversial and will be fought out on the main bill. Sugar, I understand, comes in in January, and it occurs to me that the amendment should be confined to sugar. I do not think we should authorize any crop programs, outside the \$225,000,000.

Mr. HUTSON. I have canvassed through this. I find that in the case of canned tomatoes and some of the tomato crops the present program terminates on February 28, 1946. If this bill is passed in its present form we would pay during the months of March, April, and May probably \$1,500,000 on tomatoes canned from the 1946 crop, canned during March and sold during that time. I do not know how we would handle these items.

Senator TAFT. Tomatoes grown in Texas?

Mr. HUTSON. I think you are going to continue subsidies on the canned peas and tomatoes and one other item which would come in

after the middle of May. We would not go further than to smooth out the program except in the case of sugar.

Senator TAFT. Would it not be perfectly possible to say that the 1945 crop program and the 1946 crop program relating to sugar and vegetables canned prior to July 1 are to be considered?

Mr. HUTSON. That would be absolutely satisfactory.

Mr. WILSON. The Caribbean cane-sugar crops begin about the first of each year. The Puerto Rican crop will be well on its way now having started on the 15th of January and the 15th of February. The price at which we have to dispose of that sugar to the refiners is less than the price we have to pay to deliver the sugar at the refiners. The result is that we have a lot in the operation. That is true in all our sugar programs.

In the case of the beet-sugar program, the 1945 crop was covered under the authority we had for the 1945 crops.

In the case of 1946, the Louisiana and Florida crops we will have requisitions and figures in under the general OPA except those which come in after July 1. But, in the case of Hawaiian and Puerto Rican crops we are now harvesting those crops.

There is sugar in Puerto Rican harvested since January 1 which we need and cannot move because of lack of funds. This is requesting authority to move that sugar so it can be consumed prior to July 1.

I do not believe there is any question but what we feel that the best authority is necessary, but there is not the great urgency for that that there is for the cane sugar and continental cane sugar produced until this fall.

Senator TAFT. How much subsidy was paid last year?

Mr. WILSON. For 1945, the whole payment ran around \$100,000,000

Senator MURDOCK. \$225,000,000 is the amount made available last year?

Mr. WILSON. Not for sugar alone. That was for all the programs.

Senator MURDOCK. That is the item involved so far as sugar is concerned in this resolution?

Senator TAFT. They are not dealing with the \$225,000,000.

Senator MURDOCK. I understand that.

Senator TAFT. Let me understand. What was your program last year?

You say the \$100,000,000 was paid. It did not come to us that way in a lump sum.

Mr. WILSON. It was divided up into several types—different types of programs, growers' and incentive programs where we paid incentive amounts to the grower to encourage increased crops; amounts to the processors to offset increased costs of processing.

In the case of Cuba we had a natural loss in the purchase and sale. That was entirely outside of the saving on duty; we entered the sugar duty free and sold it to the refiners duty paid.

Senator TAFT. The whole thing is so complicated that I still do not understand it.

You have here programs on a crop-year basis, 1945; sugar, \$54,000,000. That is the only direct reference to sugar in the \$225,000,000 which you had listed?

Fruits, \$26,000,000.

Vegetables, \$46,000,000.

Peanuts, \$7,000,000.

Sugar, \$54,000,000.

Expanded and other programs, \$48,000,000.

That made a total of \$225,000,000 that we allowed. That \$54,000,000 did not include the tariff reduction?

Mr. WILSON. That covered all our programs excepting the Cuban program which was covered by the tariff.

Senator TAFT. Now, you are proposing that you have had to pay Cuba more money.

Mr. WILSON. We are paying 57½ cents more per hundred pounds for 1946 than for 1944. For raw sugar, 45½ cents per hundred pounds.

Senator TAFT. So your subsidy now is to be on a larger basis than last year?

Mr. WILSON. Yes. Somewhat larger.

Senator TAFT. On Puerto Rico sugar, in that case, you have more of a loss this year than last year?

Mr. WILSON. Yes.

Senator TAFT. You pay the Puerto Ricans more.

Mr. WILSON. We had no more of a loss when our price advanced.

Senator TAFT. You increased Puerto Rico Sugar 57½ cents too?

Mr. WILSON. That is right.

Senator TAFT. You absorbed part of that loss?

Mr. WILSON. Yes.

Senator TAFT. This is an increase in the general subsidy policy. You have to pay more subsidy this year than last.

Mr. WILSON. Yes.

Senator TAFT. Do you still get it tariff free?

Mr. WILSON. Yes.

Senator TAFT. That is under that old naval provision that says that Navy ships of foreign countries can buy stores.

I think that whole Executive order is void, but I do not know we need to raise it here. But, in any event, you are proposing to raise the subsidy on sugar. If it ran \$100,000,000 last year, how much would it cost us this year?

Mr. WILSON. \$175,000,000 before the price advanced. In the price advance we have captured roughly \$60,000,000. I would say the total cost of the subsidy this year before our loss would be around \$115,000,000.

Mr. HUTSON. In the event that present prices are maintained to the end of the year.

Senator TAFT. How long will this \$225,000,000 last you?

Mr. WILSON. The fund left will see us through the Hawaiian and Puerto Rican programs.

Senator TAFT. Does this include the subsidy under beet sugar?

Mr. WILSON. For our beet sugar, we will have to request further authorization. It will be included in the OPA.

Senator TAFT. Why should we lose this additional \$15,000,000? Why not raise the price a fraction of a cent more to the consumer rather than spend \$15,000,000?

Mr. WILSON. I believe that is a question of high policy.

Senator TAFT. You were up last year and suggested increasing the whole price of Cuban sugar.

Mr. HUTSON. None of the \$15,000,000 will subsidize any Cuban sugar.

Mr. WILSON. The \$115,000,000 does not include what we covered on this duty. The net result on the Cuban program is that we do not take a loss if you include the duty saving.

Senator TAFT. I do not see why the Government should lose this \$15,000,000.

Mr. WILSON. The question of subsidy against price has been discussed a great deal as a matter of policy. What we need is authority right away to get sugar. This resolution 301 gives us authority.

Senator TAFT. If you increase the price forty-five one-hundredths of a cent—or if you increase it fifty-five one-hundredths of a cent you will not need this bill?

Senator BARKLEY. You still need the bill.

Senator TAFT. You cannot pay any subsidy at all. Well, I still do not know why you should pay a subsidy, but I do not want to raise a question of policy.

Mr. HUTSON. Let me tell you exactly what this means. You have moved the price up until it clears the Cuban price and now the cost of sugar in this country is over and above the Cuban price. Hawaii and Puerto Rico is paid in the form of a subsidy.

Senator TAFT. The fact is, putting it in a bill and selling it at a loss of \$100,000,000—now \$115,000,000—I do not see why the consumer should not pay that additional cost. I do not see why, when you were moving it up, you did not increase it enough to take care of the entire cost.

Senator BUTLER. The forty-five one-hundredths is intended to clear the Cuban sugar, but it does not clear the Puerto Rico sugar. In the case of the Cuban sugar, we have the duty saving.

Senator BARKLEY. You have to have a uniform price. If you increase it to cover the Puerto Rico sugar you would have to put it up on all of the sugar.

Senator TAFT. You subsidize Cuba to have them sell at the same price.

Senator BARKLEY. Your theory is that it is better to pay the subsidy rather than charge the American people the increase in price.

Senator TAFT. Do you not think that while this only takes us to the 1st of July, that there is a moral commitment to the beet growers to do whatever is necessary to meet their situation after the 1st of July?

Mr. WILSON. It is very imperative that we get it before that crop is put in.

Senator TAFT. I wonder whether we need to commit ourselves to something after the 1st of July.

Mr. WILSON. I think you are committing yourselves after the 1st of July, but these funds will carry us on to the 1st of July.

Senator TAFT. I thought you said it would take you past the 1st of July.

Mr. WILSON. I think Mr. Hutson, said that was on tomatoes.

Senator TAFT. You said this was enough to take us through the Puerto Rico and Cuban crops. I thought you implied it was not enough to take us through the beet crops.

Mr. WILSON. The Puerto Rico crop is over by the 1st of July. The Hawaiian crop runs the year around. But this would take us through those two crops for the years.

Mr. HUTSON. There is no need to consider it before the 1st of July to provide for a cut-off on both items.

Senator TAFT. You could raise the price on July 1 sufficiently to reimburse and still give the beet growers what they are entitled to.

Mr. WILSON. It could be stated that this would not take us beyond July 1 because the whole question will be settled then.

Mr. HUTSON. I would like to raise one question more. It is something which Congressman Phillips brings to my attention.

We do have a situation in flax similar to what we have been finding in other crops. It refers to flax in California, Arizona, and possibly Texas, that will be harvested before July 1. The major part of the flax harvest is committed to a \$3.60 price or \$3.10 price basis on Minneapolis. In both cases there is an additional 50 cents on subsidy. We do not know what the policy will be next year on these two items. If you are making a limitation, we would like to have you include flax with the canning crops.

Senator TAFT. Why is it different to other grain crops?

Mr. HUTSON. I am getting these 1946 crops in that are harvested prior to June 30 and I think I have covered the list if you included flax.

Senator TAFT. You now have a flax program?

Mr. HUTSON. Last year we had a graded payment of \$5 authorized by Congress.

Representative PHILLIPS. That is to increase the flax production, the oil.

Senator TAFT. Why should not the price of oil be increased?

Mr. HUTSON. That matter will come up. We were trying to get through without raising the broad question of changing prices. Consequently, these items were not flagged when this bill was here before.

There is a small amount of canning crops from the extreme South and some flax. Now, as to why the flax price should not be changed I think you are raising the question why all oil seed prices should not be raised.

Representative PHILLIPS. This is a program to which the flax growers understood we were committed when they put the flax in the ground. The reason the price could not be raised on that crop was that it would give a free right to the people who hold the oil to increase their prices and it would not help the purchaser.

Senator TAFT. And sooner or later, you have a cut-off?

Representative PHILLIPS. I did not understand.

Senator TAFT. Sooner or later there will be an oil problem?

Representative PHILLIPS. We see eye to eye on that. We are talking of a situation in which California flax, Arizona flax, Texas flax, and maybe others, comes out in 30 days while the Minnesota flax is not in the ground yet. That is our only problem here. It is not a question of money, but of including flax in your authorization.

Senator TAFT. This main subsidy question after July 1 is in this OPA bill here?

Mr. HUTSON. It is my understanding it will be discussed at the time the OPA bill will be discussed.

Senator BARKLEY. Does the Department have any objection to the amendment of this resolution to include flax as you have suggested?

Mr. HUTSON. We have not considered it before, but we favor it.

Senator TAFT. The 1946 program relating to sugar and canned vegetables harvested prior to 1946, sugar would go on after July 1 as long as the money lasts?

Representative PHILLIPS. I spoke to the Secretary of Agriculture personally about it and Mr. Hutson has just confirmed that.

Senator MURDOCK. I have purposely refrained from asking any questions because the subcommittee is appointed and I hope it will be——

Senator BARKLEY. If the hearings can be concluded in a day, why not hear it before the subcommittee? Can these men get here tomorrow morning?

Senator MURDOCK. Yes.

Senator BARKLEY. I think the full committee should meet tomorrow.

Senator TAFT. Have you dealt with the meat question?

Mr. HUTSON. I do not believe we are prepared to discuss the meat question today. I do not know whether we would be ready for that tomorrow.

There is a further item on tin and on flour.

Senator BARKLEY. We might as well hear the tin and other matters discussed.

Senator TAFT. What do you mean? Do you mean you are not prepared to discuss meat? Do you mean you will come back and discuss it again?

Mr. HUTSON. If there is to be another meeting of the committee, it will be better.

Senator TAFT. The House cut it out.

Mr. HUTSON. That is correct.

Senator TAFT. Are you asking us to put it back?

Mr. HUTSON. We wanted to discuss that item at another session with the committee and I do not believe we are prepared this morning.

Senator BARKLEY. Do you want to go ahead now, Mr. Goodloe?

Mr. GOODLOE. If it is the committee's wish.

STATEMENT OF JOHN D. GOODLOE, GENERAL COUNSEL OF THE RECONSTRUCTION FINANCE CORPORATION

Senator MURDOCK. I think the common acceptance would be to let the beet processors come here and tell their stories and have you gentlemen supply the answers following them. I have refrained from asking any questions to avoid duplication.

Mr. GOODLOE. What Mr. Hutson and Mr. Wilson had to say related to clause A of resolution 301. What I wish to deal with relates to clauses B and C, but to clause B in particular.

You will recall that by public law No. 88, Congress imposed certain limitations with respect to the amount of RFC funds available for subsidy payments and anticipated losses on purchase and sale contracts for the fiscal year 1946. The over-all limitation was approximately \$1,500,000,000 with certain allocations made for meat, butter, flour, petroleum and petroleum products, copper, lead, zinc, and \$100 million for miscellaneous items.

Clause B relates solely to the purchase of tin ore and tin concentrate for the continued operation of the Texas City Tin Smelter. That is a Government-owned plant constructed for war operation and it is the only tin smelter in the Western Hemisphere.

It is operated on low grade ore from Bolivia. These contracts will expire by June 30 next and we are anxious to be in a position to negotiate new contracts for the continued operation of the smelter.

Its operation by the Government will be necessary for several years. Tin is still a commodity in short supply. The continued operation of the smelter has been approved by the director of War Mobilization and Reconversion pursuant to section 202 of the War Mobilization Act of 1944.

Senator TAFT. I have no objection to the continuation of that clause, but I do have an objection to doing it without limit. If the RFC wants to say, we want to operate a tin smelter at a loss, I think they should tell us what that loss is going to be and get authority. We will find, otherwise, that we cannot stop that loss by passing a bill because the President vetoes it and they can go right on doing it.

This is not the place to give authority like this. It exempts this operation entirely from the whole theory that operations at a loss ought to be controlled by Congress.

Can you put in a total over-all figure for the year so we can pass on the question of the Government running something at a loss?

Mr. GOODLOE. The reason we brought it this way was that we did not want to open up the question now about the general subsidy program beyond June 30, 1946. That comes up with the Price Control Act.

Senator TAFT. I would be willing to treat it on another basis.

Mr. GOODLOE. Another reason for suggesting that it be handled separately is that we are not sure whether this operation is really within the scope of Public Law 88. It is very analogous to the operation of the synthetic rubber program.

We are not buying tin concentrates to sell at a loss. Rather, we are processing them into raw tin. It is true that, on the manufactured product, we have a loss occasioned by the fact that the total cost of the resultant pig tin, including the raw material and processing costs, is less than OPA price.

Senator TAFT. But it does involve a loss. You know it now, and I do not think that just because the RFC is a corporation, it ought to be able to involve the Government in a loss deliberately except by authority from Congress. It is a plant of the Government and should be covered by appropriations but we have made a modification here.

Mr. GOODLOE. You do see some distinction?

Senator TAFT. When you put tin concentrates through and sell the tin—you mean that by processing you can get away from the provisions of the general law? No.

Mr. GOODLOE. We have never regarded the synthetic rubber program as a subsidy program nor any of the others where the RFC operates a plant to manufacture something even if it does operate at a loss. That is not a purchase and sale as we understood your original amendment.

The loss during the current fiscal year has reached close to 12 million dollars. That is an estimated loss. That is shown as a loss in the operation of the smelter as distinguished from the loss on purchase and resale of the ores and concentrates.

Senator BUTLER. Is there any question of this being put on the surplus list?

Mr. GOODLOE. Not for a number of years, Senator.

Senator TAFT. The only value is the strategic value of having tin and I admit that. But I think we should face that and Congress should vote it.

Mr. GOODLOE. Senator, a good many people who know much more about the smelter than we do believe that as soon as high grade tin ore is available from the East it can operate without loss.

Senator TAFT. And providing you can get it. They would not let you get it before the war.

Mr. GOODLOE. The costs have been going down steadily ever since the Texas Tin Smelter began operating in April 1942.

Senator TAFT. That is the only suggestion I have. What about flour?

Mr. GOODLOE. In Public Law 88 Congress put a limitation of \$595,000,000 for the meat subsidy program for the period ending June 30 next. There was transferred to the Department of Agriculture for lamb subsidy \$36,000,000 of that limitation, leaving a net balance of \$559,000,000.

At the present time, the meat subsidy program has cost about \$360,000,000. It is running at a monthly rate of \$60,000,000 which will indicate that we will need \$300,000,000 more to run to June 30.

So, we will be confronted with a deficit to continue the proposed program without change of \$110,000,000 to \$125,000,000. For that reason, we ask an increase of \$125,000,000.

Since that estimate was made, there have been some developments that might affect that figure and I understand the representatives of the Office of Price Administration will be prepared to discuss that with the committee at its next meeting.

The \$125,000,000 increase requested is to continue the program "as is" until June 30. It contemplates no increase in the cost of the subsidy program by reason of the wage increase recently granted in the meat industry or the program of the Agriculture Department to accelerate slaughter in order to conserve feed.

Senator TAFT. This is a request for increased appropriation?

Mr. GOODLOE. That is the effect.

The CHAIRMAN. In this amendment you leave one figure. If the meat program is to be continued as is, that should be \$125,000,000.

Mr. GOODLOE. As you know, the President's fact-finding panel recently recommended an increase of 16 cents per hour in wages for packing-house labor. Of that amount, the panel recommended 5 cents to be absorbed by the industry and 11 cents by an increase in the selling price or increase in the subsidy.

Senator TAFT. That is the first frank statement that we are to subsidize these wage increases.

Senator BARKLEY. That would not be accurate because it would not go beyond the present subsidy program. It does not propose that the increases in industries shall be subsidized. That is not correct, anyway, with all due respect to my friend.

Senator TAFT. That is, if they do not ask for it. I am trying to discourage them. That is all.

Mr. GOODLOE. With reference to flour, the original allocation for flour was \$190,000,000. At the present time, it has cost about \$115,000,000. That leaves a balance of \$75,000,000 to carry us to June 30 whereas the estimate is that it will require \$100,000,000. In other words, \$25,000,000 additional will be required to continue the present flour program down to June 30. That is running from \$18,000,000 to \$20,000,000 a month.

Senator TAFT. Is the basic reason for that the basic price of wheat?

Mr. GOODLOE. That is correct, and the price of wheat has for some time been right at the ceiling.

Senator TAFT. That is why your estimates were not correct?

Mr. GOODLOE. Wheat went up faster than we anticipated and has remained at the ceiling for quite a few months. The flour subsidy is running slightly in excess of 30 cents a bushel.

Senator BUTLER. How is the ceiling compared with parity on wheat?

Representative PHILLIPS. The ceiling reflects parity.

Senator BARKLEY. Anything further?

Mr. GOODLOE. I believe that is all.

The CHAIRMAN. Then, if I understand the figure, it is \$125,000,000?

Mr. GOODLOE. Yes.

Senator BARKLEY. Any further question, Mr. Goodloe?

Mr. GOODLOE. I think not.

Senator MURDOCK. I hope Mr. Goodloe can be here in the morning.

Senator BARKLEY. Is there any other testimony on any phase of this resolution at this time?

Thank you gentlemen. We will convene tomorrow at 10:30 a. m.

(Whereupon, at 11:45 a. m., the committee adjourned until 10:30 a. m., Friday, February 22, 1946.)

1946 MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

FRIDAY, FEBRUARY 22, 1946

UNITED STATES SENATE,
COMMITTEE ON BANKING AND CURRENCY,
Washington, D. C.

The committee met at 10:30 a. m., pursuant to adjournment on Thursday, February 21, 1946, in room 301, Senate Office Building, Senator Alben W. Barkley, presiding.

Present: Senators Barkley (presiding), Radcliffe, Murdock, McFarland, Carville, Taft, Butler, Capper, Millikin, and Hickenlooper.

Senator BARKLEY (presiding). The committee will be in order. Mr. Goodloe, will you step around here? This matter we recessed yesterday I understand has been disposed of.

Senator MURDOCK. I will say this, Mr. Chairman, that it has been temporarily disposed of by agreement between the OPA and the beet processors with an understanding that negotiations on further matters will be taken up beginning Monday, and I am hopeful that the thing will be worked out satisfactorily to everyone.

Senator BARKLEY. So that we don't have to deal with it this morning.

Senator MURDOCK. We don't have to deal with it this morning.

Senator MILLIKIN. Is Mr. Hutson in on that understanding?

Senator BARKLEY. About the beet processing?

Mr. HUTSON. It is essentially an OPA matter.

Senator MURDOCK. I don't know how you would get into the picture at all.

Mr. HUTSON. No; it is an OPA matter.

Senator BARKLEY. Now, then, there is no further testimony here we need to have, as I understand it, and the only thing is the amendment that was suggested yesterday. This amendment, you want that filled in for 125 million?

Mr. GOODLOE. Yes; 125 on meat and 25 increase on flour.

Senator BARKLEY. There was an amendment that Senator Taft suggested. You agree to that, Mr. Hutson?

Mr. HUTSON. He asked us to draw the language. We have sent it to him. I don't have a copy of it.

Senator BARKLEY. Did you send it to the clerk of the committee?

Mr. HUTSON. We can furnish it to him within the next few minutes. It is very slight.

Senator BARKLEY. Yes; it had reference to July 1.

Mr. HUTSON. It was a limiting amendment providing for a limitation of the extension on crops, sugar beets, flax—sugar during the year and flax and vegetables for processing until June 30 this year.

Senator BARKLEY. You have drawn that up in the form—

Mr. HUTSON. Yes.

Senator HICKENLOOPER. Do I understand, Mr. Chairman, the question of these subsidies that is being considered now by the committee is limited to June 30?

Mr. HUTSON. All except the sugar. That is to go over because certain crops are not matured and marketed before the 30th of June.

Senator HICKENLOOPER. But it is not a question of additional extension; it is a question of carrying out the remaining program?

Senator BARKLEY. That is right, not to cover anything except flax—flax is put in here for the period up to the 1st of July.

Senator HICKENLOOPER. I wouldn't want to miss the opportunity of announcing my objection to a renewal.

Senator BARKLEY. I understand. You never miss an opportunity to do that.

Senator HICKENLOOPER. Oh, I do, once in a while.

Mr. HUTSON. Mr. Chairman, Mr. Shulman is here and has the exact wording of this amendment Senator Taft suggested yesterday.

Senator BARKLEY. Yes. You might read it.

Mr. SHULMAN. Strike out the words "1945 and 1946 crop program operations" appearing in lines 6 and 7 of H. J. Res. 301, and substitute therefor the words "(a) 1945 crop program operations and (b) 1946 crop program operations relating to sugar, vegetables processed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946."

Senator MILLIKIN. Does the word "sugar" under your departmental practice include beet sugar as well as cane sugar?

Mr. SHULMAN. Yes.

Senator MILLIKIN. You have no custom in your department that means one kind of sugar as distinguished from another?

Mr. SHULMAN. No, sugar would cover both.

Senator BARKLEY. Is that amendment he has read, which carries out your suggestion, agreeable, Senator Taft?

Senator TAFT. It is agreeable to me.

Senator BARKLEY. Without objection it will be inserted.

Now, the other amendment submitted by Mr. Goodloe—where is that amendment?

Mr. GOODLOE. Shall I read that, Senator?

Senator BARKLEY. Yes.

Mr. GOODLOE. Amend House Resolution 301 as follows: In line 7 strike the word "and" following the semicolon. In line 13 change the period at the end of sentence to a semicolon and add the following:

and (c) the allocations for meat and flour provided in the Act of June 23, 1945 (59 Stat. 260) are hereby increased by \$125,000,000 and \$25,000,000, respectively: *Provided, however*, That this shall not be construed to increase the aggregate amount allocated by said Act of June 23, 1945, for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946.

Senator BARKLEY. Is that amendment agreeable?

Senator TAFT. Mr. Chairman, that is the thing that bothers me a good deal, whether, if we are going to pay for all subsidy programs, the time to begin is now. I don't feel I quite know enough about it, but are you going to recommend that we appropriate this same amount or more for next year for meat? Originally it was \$595,000,000, plus this \$125,000,000 makes \$720,000,000 that we spent on subsidies for meat last year.

Mr. GOODLOE. \$36,000,000 out of that 595 was transferred to the Department of Agriculture when the lamb program was changed.

Senator MILLIKIN. What programs will this restrict? You are allocating an over-all sum of money; is that not correct?

Mr. GOODLOE. That is correct.

Senator MILLIKIN. What are you taking it from?

Mr. GOODLOE. There is a substantial amount of the original allocation made for petroleum and petroleum products, that will not be required, and a substantial amount originally made for butter, which will not be required.

Senator MILLIKIN. Does anyone contest that theory?

Mr. GOODLOE. No, sir.

Senator TAFT. As a matter of fact the increase doesn't mean much—that is not a very material thing.

Senator BARKLEY. The over-all increase is not——

Mr. GOODLOE. There is no over-all increase.

Senator TAFT. That is because, of course, they cut out the subsidy on shipping gasoline around the country. We have saved that money already, so we are not really saving it again.

Senator MILLIKIN. What I mean, is there any objection to doing this by the industry affected?

Mr. GOODLOE. No, sir.

Senator BUTLER. How about butter?

Mr. GOODLOE. We were paying 5 cents a pound to the processor on the butter subsidy which was discontinued around the first of December.

Senator TAFT. At what rate—here is \$720,000,000 spent for meat and obviously more spent in the latter part of the year than in the early part of the year. You have increased it as you go along?

Mr. GOODLOE. Yes.

Senator TAFT. At what rate are you figuring per month to require this \$125,000,000?

Mr. GOODLOE. At about sixty million a month.

Senator TAFT. So that you figure if this is continued—and I understand the administration is saying it should be continued—you will come back for a subsidy for meat alone of at least \$720,000,000?

Mr. GOODLOE. Are you talking about for the next fiscal year?

Senator TAFT. For the next fiscal year.

Mr. GOODLOE. I don't know what is in mind for the next fiscal year.

Senator TAFT. Well, I saw the President's speech. The President stated—he urged a complete extension of it.

Mr. GOODLOE. That is all tied right in with the Price Control Act extension.

Senator TAFT. I understand that, but if we are going to have to pay this I don't quite see why we shouldn't begin in May or April, just as well as the 1st of July. There is nothing particularly secret about the date the 1st of July. What I am puzzled about is whether we should just postpone consideration of this production subsidy, or, since we are up here against a deficiency bill, we shouldn't consider the whole question now, instead of waiting for the 1st of July.

Mr. GOODLOE. Congress originally authorized a continuance of this program until next June 30, 1946, and made available the amount that was estimated at that time to be required for that purpose.

Senator TAFT. I know, but they provided a smaller subsidy and you come in and put on a bigger subsidy. Therefore, you didn't have enough. That was not congressional authority. You are here for a deficiency appropriation, having used in 10 months the money you were supposed to use in 12. Now, isn't that right?

Mr. GOODLOE. That is true on meat.

Senator TAFT. That is why I am doubtful as to whether we shouldn't begin to cut that down or taper it off.

Senator HICKENLOOPER. Is it \$120,000,000 on meat?

Mr. GOODLOE. One hundred twenty-five million dollars.

Senator HICKENLOOPER. What effect would this \$125,000,000 have on meat? In other words, would it increase the subsidy spread, assuming the price stayed the same? Would it increase the spread between the retail price and the wholesale price? To whom do you propose this \$125,000,000 be paid, to the consumer or to the processor?

Mr. GOODLOE. This contemplates no change whatever in the present relationship or in the present prices. It would continue the program as it exists today.

Senator HICKENLOOPER. What I am trying to get at is how much of a spread between what meat ought to be selling for in the market today without a subsidy and what it is selling for with the subsidy, the idea being, when we take the subsidy off, how much of a jump may we expect or will this increase cause a jump in price?

Mr. ERICKSON. The average subsidy on beef is running \$2 a hundredweight, live, which would amount to close to \$4 on the finished product.

Senator HICKENLOOPER. Does that include the 50 cents to the producer?

Mr. ERICKSON. That is exclusive of that.

Senator TAFT. You mean if we take that price we could save the Government \$720,000,000 a year—

Mr. ERICKSON. That is the wholesale price. There would be some further increase at the retail level.

Senator TAFT. Four cents is the packers' price?

Mr. ERICKSON. That is right; close to 4 cents.

Senator TAFT. Why did the House take out \$125,000,000? It was in the original House bill and the House took it out.

Mr. GOODLOE. That is right.

Senator TAFT. Why? What was the understanding?

Mr. HUTSON. The question came up as to the settlement of the meat strike and they had another hearing scheduled for the following day, and in order to dispose of it at that one sitting, it was withdrawn by the sponsors of the thing, to be taken up at a later time after the settlement of the meat strike.

Senator TAFT. You mean it was put off without prejudice?

Mr. HUTSON. That is right, the matter was put off without prejudice. That is my understanding.

Senator TAFT. What about the further increase in wages? Is that going to increase the price of meat? Is OPA going to increase the price of meat to take care of that situation?

Mr. KETCHAM. On that, Senator Taft, the Economic Stabilizer has not definitely decided what he proposes to do. If he does propose to have the wage increases subsidized he intends to come back and discuss it with your committee at that time.

Senator TAFT. Well, then, why not settle it now? This is the time. We are dealing now with the whole period up to the 1st of July. I don't think we ought to pass this bill until he decides. Is this just a "come on"? Is this just part of it, and is he then going to come on down here for some more to pay for the increased wages?

Mr. KETCHAM. I am not suggesting that. If it becomes necessary he intends to come back with that specific issue.

Senator TAFT. Obviously it is not necessary if he is willing to increase the price of meat. That is the only question. If he is going to increase the price of meat one cent, why not increase it two cents and reduce the subsidy?

Mr. KETCHAM. As of this time he has decided that the price of meat probably should be increased to take care of the wage adjustment.

Senator TAFT. There was some other feature—what was the other feature you mentioned besides the wage increase yesterday?

Mr. GOODLOE. It was whether or not the normal rate of slaughter for the balance of this year might be increased by reason of the program announced by the Department of Agriculture to try to take certain measures for increased slaughter of certain kinds of meat.

Senator HICKENLOOPER. You mean the discouragement of the heavy-hog slaughter and encouragement of light-hog slaughter?

Mr. GOODLOE. Yes. What effect that would have on this, I don't know.

Senator HICKENLOOPER. Well, they propose to reduce the price of heavy hogs 50 cents a hundred, and increase it on light hogs 50 cents a hundred, as I understand, or some such figure, as a matter of trying to get the light hogs to market and discourage the continued feeding of heavy hogs under the grain program. That is my understanding of it. I don't know just what the features are, but would that program be tied in in any way with this subsidy situation here?

Mr. GOODLOE. No. The only point I had to mention yesterday, if that program did result in any very substantial increase, that has not been taken into account in arriving at the estimate of \$125,000,000.

Senator TAFT. How much leeway have you got in this program to take care of that increase?

Mr. GOODLOE. About \$7,000,000. My recollection is the figure we came up with was actually estimated at 118 and we are asking for 125.

Senator MILLIKIN. You said awhile ago, as I recall it, that taking the subsidy off would increase the price of meat 4 cents a pound?

Mr. ERICKSON. At the packer level; yes.

Senator MILLIKIN. What would it be at the retail level?

Mr. ERICKSON. The mark-up would run close to 140 percent, so that it would be slightly over five cents.

Senator TAFT. Well, the OPA doesn't permit anything like that. They not only hold them to the same dollar margin, but they hold them to the packer's rate. That is the general practice.

Mr. KETCHAM. It depends on how much they can absorb.

Senator TAFT. I don't say they should or should not, but as I understand it, that is not the OPA policy. They hold the distributor to the same dollar margin, not the percentage margin. They have refused to agree to a percentage margin in most cases.

Mr. KETCHAM. That is true.

Senator MILLIKIN. Is that an additional 5 cents to the consumer?

Mr. KETCHAM. No, sir.

Senator MILLIKIN. Then that would result in a grand total of five plus—

Mr. KETCHAM. Something over 5 cents.

Senator TAFT. The question is whether or not it is worthwhile paying \$60,000,000 a month and borrowing the money to keep the consumer from paying 5 cents a pound more for meat. I don't think it is. That is where you and I disagree.

Senator BARKLEY. We will take that out of taxes and borrow for something else.

Senator TAFT. As I understand that. What about flour? What is the flour situation?

Mr. GOODLOE. The flour situation is simply this: that the ceiling price of wheat was reached fairly quickly after the subsidy program allocation was made for the fiscal year 1946, and on the basis of the experience to date we will run about \$25,000,000 short to carry out that program through June 30.

Senator TAFT. How much is that running per month now?

Mr. GOODLOE. About \$18,000,000 a month.

Senator TAFT. That is a subsidy paid to the miller?

Mr. GOODLOE. That is correct. It is based on the price of wheat, and it is running right at the equivalent of 30 cents a bushel on wheat.

Senator BUTLER. Did you make any estimate as to the difference in price for the cost of a loaf of bread to the consumer? How much would you have to raise bread at retail today, to do away with this?

Mr. KETCHAM. About a cent a loaf, Senator.

Senator MILLIKIN. A pound loaf?

Mr. KETCHAM. A pound loaf.

Senator TAFT. Is it designed to reach a particular price under this subsidy, or how does it work? Are you trying to hold the price of bread at a certain fixed figure?

Mr. GOODLOE. That is my understanding.

Senator TAFT. It varies in different places, I suppose.

Mr. ERICKSON. Yes, it does.

Senator BARKLEY. What causes that variation? The cost of transportation of flour from the mill to the baker in different parts of the country? Is it the freight on the flour from the mills to the different parts of the country?

Mr. KETCHAM. No, sir. It is rather the historical pattern of bakers in prices of bread which causes that regional variation.

Senator BARKLEY. There is nothing new about it, then?

Mr. KETCHAM. No, nothing new. Those prices are held as they were back in 1942, so that to the extent there was a variation historically there is now.

Mr. HUTSON. What we had hoped, Mr. Chairman, could be done, in view of the critical sugar situation, is that we could dispose of these items which were authorized; the continuance of the present program to June 30, and then consider in connection with the stabilization legislation this whole issue of subsidies in as much detail as we could, and we had hoped in agriculture—I think that is true of the farming organizations as well as the Department of Agriculture—that that could be considered at a relatively early date and disposed

of well in advance of June 30. You understand it is important from the standpoint of planting and production to know what we will have after June 30. We hope that will be disposed of. I understand they are ready to proceed in the House. They are having hearings on that in the House. We could dispose of these items in this form and then continue until the hearings are over, for which there has been a limitation, and then consider what might be done after June 30 when we have more time.

Senator BARKLEY. The hearings in the House on the extension and the hearings here on the extension do not involve the question involved in this resolution at all. That pertains wholly to what will happen after the 30th of June.

Senator TAFT. Well, it is exactly the same question, whether it is up to the 1st of July or after the 1st of July. I don't see why it makes so much difference.

Senator BARKLEY. We are more or less committed to that already.

Senator TAFT. No; we are not committed to a subsidy, after the 1st of July. Personally after the 1st of July I would be inclined to favor a tapering off of subsidies. If we are going to taper it off after the 1st of July, if that is to be the policy, why can't we taper it off the 1st of April instead of the 1st of July?

I just don't see any magic about the 1st of July.

Senator BARKLEY. The program has been arranged and understood to be coextensive with the existence of the law which expires July 1. We would be interfering with the program which was framed in accordance with the law, which runs to the end of June. It may be cut off suddenly after the 30th of June, if Congress doesn't see fit to extend it. We have made the mistake heretofore of waiting until almost the date of expiration and then having to act under a shotgun.

Mr. GOODLOE. Sixty days' notice would be almost necessary for any substantial change, I would think.

Senator BUTLER. In connection with that I think the rules and regulations do not permit flour millers to have more than a certain amount of stock on hand. They are certainly not going to make their obligations beyond what they are going to accumulate stock for. So I think they are not looking very far ahead. They are really running from hand to mouth. I just wonder what vital difference it would make if we take care of the sugar subsidy program and leave these others for another month or two, because this is still February. They have March and April ahead, and May and June in which to decide those things. By that time we will know something about what the program is going to be after June 30.

Senator BARKLEY. At that time we will be right in the middle of the hearings and the consideration of the policy after July 1. If we have to consider it at that time, it might not get the proper amount of consideration.

Senator BUTLER. The farmer is getting parity now for his wheat, isn't he? Isn't wheat about at parity?

Mr. ERICKSON. That is correct.

Senator BUTLER. By giving the miller 30 cents a bushel you are putting the cost of bread just that much above parity. Is that necessary?

Senator BARKLEY. Oh, not to the consumer; not to the man who buys the bread.

Senator BUTLER. Then you are bringing it down to the consumer 30 cents a bushel under parity.

Senator BARKLEY. No. The difference is made up with the subsidy. Are we ready to vote on the amendment, \$125,000,000 for meat, and \$25,000,000 for flour? As many as favor the amendment will say aye.

(The amendment was put to a vote.)

Senator BARKLEY. Contrary; no.

Senator HICKENLOOPER. No.

Senator BARKLEY. The amendment is agreed to.

Senator TAFT. I want to reserve the right to talk about it on the floor.

Senator BARKLEY. You want to talk about it and then vote for it, don't you?

Senator TAFT. Oh, I don't know. I think the main battle is going to come on the big appropriation.

Senator BARKLEY. Is there anything else involved in this?

Senator TAFT. Well, there is one thing. The joint resolution says—

(b) Neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the Act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

By doing that we in effect authorize the RFC to continue indefinitely to operate that tin smelter at a loss. I wondered if we couldn't limit that, too, insofar as—to the extent of losses of so many million dollars. You said, I think, you lost \$12,000,000 last year.

Mr. GOODLOE. That is my recollection.

Senator TAFT. What about saying twenty million, and when you run out of that, come back.

Mr. GOODLOE. I wouldn't have any objection. Of course, that smelter will be continued for several years and each year under the Byrd-Butler bill we will submit an item in that for the Budget, you see, so that anytime Congress wants to stop it, they can stop it.

Senator BARKLEY. They can either reduce it or cut it out altogether.

Mr. GOODLOE. That is correct.

Senator BARKLEY. Do you anticipate any accelerated deficit?

Mr. GOODLOE. No, sir. As a matter of fact the costs are coming down all the time.

Senator BARKLEY. In other words, the amount required will be less?

Mr. GOODLOE. Yes.

Senator TAFT. I don't see any objection to saying, "to the extent of \$20,000,000," because you say in 1947 you will come in with a Budget request anyway; is that right?

Mr. GOODLOE. That is right. That Budget request will be in another 30 days for the fiscal year beginning July 1 next, 1947.

Senator TAFT. Well, I think perhaps then we don't need it. The whole thing has to be reexamined in the appropriation for next year?

Mr. GOODLOE. Yes; and those hearings will be held in March and April.

Senator TAFT. All right. I have no objection.

Senator BARKLEY (presiding). Then we will report the bill favorably.

Thank you gentlemen for coming down. I know what a hardship it is for you to come down and work with us when we have to work, even though everybody else in the Government has a holiday. We appreciate it.

The meeting is adjourned.

(Whereupon, at 11:30 a. m., the hearing was concluded.)

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DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued February 27, 1946, for actions of Mon. and Tues., Feb. 25, 26, 1946)

(For staff of the Department only)

CONTENTS

AAA.....36	Fruits & vegetables.....2	Price control.....1,13,28,35
Appropriations....1,2,3,15	Housing.....14,16,22,29	Property, surplus.....21,33
Electrification....1,15,18	Insect control.....23	Research.....20
Employment.....1	Labor.....11,19	School lunch program...6,31
Exports.....27	Livestock and meat.....2	Small business.....35
Extension work.....4,24	Minerals.....26	Subsidies.....2,30
Farm prices.....30	Minimum wage.....17	Territories & possessions.5
Flax seed.....2	Monopolies.....9	Tobacco.....3,36
Food production.....10	Nomination.....7,8	Transportation.....32
Forestry.....16,23,27,34	Parking facilities.....12	Veterans.....14
		Sugar.....2

HIGHLIGHTS: Sen. Committee reported urgent deficiency appropriation bill (contains \$100,000,000 authorization for REA loans but restricts use). Senate Committee reported measure to authorize use of 1945-crop subsidies funds for 1946 programs. Received proposed increase in limitation for "conservation and use". Senate passed school-lunch bill; conferees appointed. Received nomination of Krug as Interior Secretary. House debated Patman housing bill (price control, subsidies).

SENATE - February 25

NOT IN SESSION.

1. URGENT DEFICIENCY APPROPRIATION BILL, 1946. The Appropriations Committee reported with amendments this bill, H. R. 5458 (S. Rept. 990)(p. 1629).

The Committee retained the \$100,000,000 RFC borrowing authorization for rural-electrification loans but added the following proviso: "That no part of this fund shall be available to the Rural Electrification Administration for the making of any loan for the construction of a generating plant unless the Federal Power Commission shall first certify that there is not sufficient electric current available in the area concerned at reasonable rates."

Other Committee amendments: Reduced the OPA item from \$1,854,000 to \$927,000. Reduced the CPA item from \$1,500,000 to \$750,000. Inserted an authorization for the Senate (during the 79th Congress) to hire Government employees for folding speeches and pamphlets.

2. SUBSIDIES. The Banking and Currency Committee reported with amendments H. J. Res. 301 (S. Rept. 991)(p. 1629). As so reported, this measure permits the subsidy funds already authorized for the 1945 crop program operations to be used with respect to 1946 crop programs relating to sugar vegetables processed prior to July 1, 1946, and flaxseed harvested prior to that date. (The House version would permit the 1945 authorization to be used for any 1946 programs, but the Senate report indicates the Committee's belief that such a provision is too broad and that the general subsidies question should be considered separately.) The Senate Committee also added a provision increasing authorizations for the

RFC subsidies by \$125,000,000 for meat and \$25,000,000 for flour.

HOUSE - February 25

3. PMA APPROPRIATIONS. Received from the President a proposed provision to increase by \$600,000 the limitation on funds for administrative expenses, 1946, for conservation and use of agricultural land resources (H. Doc. 483)(p. 1627). These funds are to provide for the measurement of flue-cured tobacco acreage.
4. COUNTY FAIRS. Received a Pa. Association of County Fairs petition favoring the exempting from amusement tax of all admissions to fairs operated for the promotion of agriculture, horticulture, and domestic science (p. 1628).
5. HAWAII. The subcommittee of the Territories Committee submitted its report on questions and problems relating to Hawaii which contains data on farm acreage, farm production, etc. (Feb. 22)(H. Rept. 1620)(p. 1617).

SENATE - February 26

6. SCHOOL LUNCH PROGRAM. Passed with amendments H. R. 3370, the school lunch bill, with the language of S. 962, as amended, substituted therefor (pp. 1643-63).
Senate conferees appointed: Sens. Russell, Ellender, Bankhead, Capper, and Aiken (p. 1663).
Rejected amendments by Sen. Taft as follows: To decrease the annual authorization from \$100,000,000 to \$57,500,000 (the current appropriation), by a 21-50 vote (pp. 1654-61). To strike out the \$15,000,000 additional authorization for Office of Education, by a 25-47 vote (pp. 1661-3). Rejected an amendment by Sen. Donnell, Mo., to finance the program from a special fund to be set aside from revenues (Sen. Donnell claimed the bill is unconstitutional without such a provision)(pp. 1653-8).
7. INTERIOR NOMINATION. Received the nomination of J. A. Krug to be Secretary of the Interior (p. 1665).
8. PATENTS NOMINATION. Received the nomination of Thomas F. Murphy to be Assistant Commissioner of Patents (p. 1664).
9. MONOPOLIES. Sen. Morse, Oreg., inserted and discussed a letter from H. L. McCarthy stating that there is "great need of legislation to check the sinister growth of monopolies" (pp. 1664-5).
10. FOOD PRODUCTION; SOCIAL SECURITY. Received a Calif. Assembly memorial urging relaxation of social-security restrictions to permit recipients of benefits to produce food (pp. 1630-1).
11. LABOR SECRETARIAT. The Education and Labor Committee reported without amendment S. 1298, to establish an office of Under Secretary of Labor and three offices of Assistant Secretary of Labor and to abolish the existing offices of Assistant Secretary and Second Assistant Secretary (S. Rept. 993)(p. 1632).
12. PARKING FACILITIES. The D. C. Committee reported with amendments H. R. 4283, to require parking facilities for persons employed in Federal office buildings in D. C. (S. Rept. 996)(p. 1632).
13. PRICE CONTROL. Sen. Wiley, Wis., criticized administration of the Price Control Act (pp. 1635-6).
Sen. Lucas, Ill., criticized the methods of OPA's enforcement operations (pp. 1637-41).



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WASHINGTON, TUESDAY, FEBRUARY 26, 1946

No. 33

Senate

(Legislative day of Friday, January 18, 1946)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Dr. Buford L. Nichols, of San Marcos, Tex., missionary to China under the Southern Baptist Foreign Mission Board, offered the following prayer:

Our Heavenly Father, we bow in humble gratitude for Thy grace and guidance in war and peace. For all the good that is in us, nationally and individually, we give Thee thanks; for all the evils among us, we bow in deep contrition. We pray for our President, the Congress, and all those in leadership responsibility throughout the Nation, for our men and women in the armed forces, and for those planning the peace and chartering the UNO. May industrial discord and social unrest give place to harmony and peace in our midst. Guide us, O God, as we seek in these days to reconstruct our economy, reconvert our industry, redeploy our manpower, and readjust our thinking. As we feel our way in international cooperation, grant unto us a place of noble service and worthy influence.

To that end, our Father, may Thy Holy Spirit permeate every area of our lives and Thy blessed truth dominate every phase of our thought. Grant us Thy pardon, purity, peace, and power. May the forces of righteousness ever find in our land the proper atmosphere and encouragement for growth and expansion. Through Jesus Christ our Lord, we pray. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, February 22, 1946, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On February 21, 1946:

S. 1405. An act to authorize the President to retire certain officers and enlisted men of

the Navy, Marine Corps, and Coast Guard, and for other purposes.

On February 25, 1946:

S. 50. An act to permit settlement of accounts of deceased officers and enlisted men of the Army, Navy, Marine Corps, and Coast Guard, and of deceased commissioned officers of the Public Health Service, without administration of estates.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the intelligence of the death of Hon. J. Buell Snyder, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on February 23, 1946, he presented to the President of the United States the following enrolled bills:

S. 323. An act for the relief of Thomas F. Gray;

S. 400. An act for the relief of Elisabeth Andersen;

S. 543. An act for the relief of Felix Frederickson;

S. 683. An act for the relief of Mrs. Marie Nepple, as executrix of the estate of Earl W. Nepple, deceased, and Mrs. Marie Nepple, individually;

S. 865. An act for the relief of the estate of Agnes J. Allberry;

S. 1084. An act for the relief of John C. May and Eva Jenkins May;

S. 1126. An act for the relief of Alice A. Murphy;

S. 1131. An act for the relief of Jess Hudson;

S. 1400. An act for the relief of Robert R. Rowe, Jr.;

S. 1423. An act for the relief of Charles L. Phillips;

S. 1588. An act for the relief of Mrs. Lona Wilson; and

S. 1618. An act to exempt the Navy Department from statutory prohibitions against the employment of noncitizens, and for other purposes.

REPORTS OF COMMITTEES FILED DURING THE RECESS

Under authority of the order of the 22d instant,

The following reports of committees were submitted on February 25, 1946:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5458. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes; with amendments (Rept. No. 990).

By Mr. BARKLEY, from the Committee on Banking and Currency:

H. J. Res. 31. Joint resolution to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; with amendments (Rept. No. 991).

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Attorney General of the United States, transmitting, pursuant to law, a report stating all of the facts and pertinent provisions of law in the cases of 68 individuals whose deportation has been suspended for more than 6 months by the Commissioner of the Immigration and Naturalization Service under authority vested in the Attorney General, together with a statement of the reason for such suspension (with accompanying papers); to the Committee on Immigration.

TRANSPORTATION FOR PERSONNEL OF NAVAL ESTABLISHMENT AND NAVY CONTRACTORS

A letter from the Secretary of the Navy, transmitting, pursuant to law, a summarized report of adequate transportation to and from their places of employment for personnel attached to or employed by the naval establishment and Navy contractors (with an accompanying report); to the Committee on Naval Affairs.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the eleventh annual report of that Commission for the fiscal year ended June 30, 1945 (with an accompanying report); to the Committee on Banking and Currency.

AUTHORIZATION FOR VETERANS' ADMINISTRATION TO APPOINT AND EMPLOY CERTAIN RETIRED OFFICERS

A letter from the Administrator of the Veterans' Administration, transmitting a draft of proposed legislation to authorize the Veterans' Administration to appoint and employ retired officers without affecting their retired status, and for other purposes (with an accompanying paper); to the Committee on Finance.

PETITIONS AND MEMORIALS

The PRESIDENT pro tempore laid before the Senate petitions, etc., which were referred as indicated:

A joint resolution of the Legislature of the State of California; to the Committee on Claims:

"Senate Joint Resolution 6

"Joint resolution relative to a bill pending in the Congress providing for the relief of owners of gold mines affected by Federal regulation

"Whereas there is now pending in the Congress of the United States a bill introduced by Hon. CLAIR ENGLE, Representative from California, being designated as bill H. R. 4393; and

"Whereas said bill provides for relief to the owners of gold mines which were closed or had their production curtailed during World War II as the result of the issuance of War Production Board Limitation Order No. L-208, and provides that said owners may file claims for damage to their mines caused by cessation or curtailment of operation; and

"Whereas the gold-mining industry in the United States was largely shut down and rendered inoperative by reason of said Order No. L-208, and very little mining of gold was carried on in the mines of the country during the period of said war; and

"Whereas owing to the disuse of many of said mines and the period of time during which they have remained closed, a great many have become partially filled with water, and numerous cave-ins have resulted, and they have generally deteriorated to such extent that operation is impossible until extensive repair and rehabilitation work is performed; and

"Whereas the general rehabilitation of many gold mines will be so costly as to be prohibitive for the owners thereof and financial relief is necessary for this purpose; and

"Whereas for several generations the mining of gold has been one of our foremost industries in California and other Western States, contributing to the income and welfare of the people, and being the most important source of income for many communities. The product of these mines serves a very useful purpose in our industrial system and is necessary in a wide variety of businesses and crafts. The permanent disuse of such mines would adversely affect the economic well-being of the State and the country as a whole: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the Congress of the United States to provide relief for owners of gold mines which were damaged by the disuse resulting from the issuance of Regulation No. L-208, by the enactment into law of said bill H. R. 4393; and be it further

"Resolved, That the secretary of the senate be hereby directed to transmit copies of this resolution to the President of the United States, to the President pro tempore of the Senate, and the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Education and Labor:

"Senate Joint Resolution 5

"Joint resolution relative to memorializing the Secretary of Labor, the National Labor Relations Board, and the United States Conciliation Service, relative to the settlement of a jurisdictional labor dispute between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union

"Whereas there exists a jurisdictional labor dispute between the CIO Food, Tobacco, Agri-

cultural, and Allied Workers' Union of America and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union, which dispute has caused strikes and work stoppages in the food-processing industry throughout California and which dispute threatens to cause further strikes and disputes in the food-processing industry; and

"Whereas no issue of wages, hours, or working conditions is involved in the dispute; and

"Whereas the members of these two contending unions supply the labor necessary for the processing and packing of California fruit and vegetables crops; and

"Whereas the State of California produces an annual fruit and vegetable pack of more than 1,000,000,000 cans of fruits and vegetables; and

"Whereas continued high production is vital and essential to meet world food shortages; and

"Whereas unless this jurisdictional labor dispute is settled in the immediate future it may endanger the food supply of the entire Nation and may result in irreparable loss to consumers, workers, growers, and processors alike not only in California or in the Nation, but throughout the entire world: Now, therefore, be it

"Resolved by the Senate and the Assembly of the State of California, jointly, That the Secretary of Labor, the National Labor Relations Board, and the United States Conciliation Service be, and they are hereby, respectfully memorialized and requested to take all necessary steps immediately to settle the jurisdictional labor dispute now existing between the CIO Food, Tobacco, Agricultural, and Allied Workers' Union of America, and the American Federation of Labor Cannery Workers' Union, affiliated with the International Teamsters' Union, to the end that the danger of irreparable loss to the growers, packers, workers, and consumers of this Nation and the world may be averted; and be it further

"Resolved, That the secretary of the senate shall transmit copies of this resolution to the President pro tempore of the United States Senate, the Speaker of the House of Representatives, each Senator and Representative from California in the Congress of the United States, to Paul M. Herzog, Chairman of the National Labor Relations Board, and to Edgar L. Warren, Director of the United States Conciliation Service."

A joint resolution of the Legislature of the State of California to the Committee on Finance:

"Assembly Joint Resolution 8

"Joint resolution relative to amendment and extension of the Federal Social Security Act in respect to public assistance

"Whereas the Congress of the United States has, in the Social Security Act, provided for grants-in-aid to the States for public assistance to needy persons on a categorical basis, including therein grants for old-age assistance, aid to the blind, and to dependent children, and grants for other limited and specific purposes, but the categories do not cover the entire field of persons in need of public assistance, and no Federal provision for assistance is made in respect to residual categories; and

"Whereas major improvements in the provision and administration of public assistance within the past 10 years in respect to standards and amounts of aid have been made only in those fields in which the States have received Federal assistance, and which have been administered under the guidance and supervision of the Federal Social Security Board; and

"Whereas it is only in those fields in which State-wide uniformity has been achieved in respect to budgetary standards, application of rules of eligibility, rights of appeal, and like matters: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Congress and President of the United States are hereby memorialized and urged to enact such legislation as may be necessary to provide Federal assistance for, and to bring within the scope of the Federal Social Security Board, the entire field of public assistance to the needy, including assistance and maintenance for general hospitals, general relief, and aid to the deaf, physically handicapped and other categories of needy persons not presently receiving aid, on an equal matching basis with States and other political subdivisions, and to liberalize the provisions for assistance to categories of persons to whom aid now is provided so that the Federal assistance will amount to at least one-half of the aid provided, in all instances where the Federal assistance is now provided in a lesser amount; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the Presiding Officer of each of the Houses of Congress, and to each Senator and Representative from California in the Congress of the United States."

Two resolutions of the Assembly of the State of California; to the Committee on Finance:

"House Resolution 86

"Resolution relating to development of Alaska and amendment of Servicemen's Readjustment Act of 1944, extending benefits to veterans for Alaska homesteads

"Whereas Alaska is the approximate airway center of this continent to capitals of Europe and Asia; and

"Whereas the rapid development of worldwide air travel is accentuating its strategic position for national defense and commercial transportation; and

"Whereas it has vast natural resources to replace some of those depleted in the United States during the war; and

"Whereas only a few thousand acres are actually under cultivation contrasted with more than 1,000,000 acres suitable for farming and livestock raising; and

"Whereas it is the conviction of this Assembly that Alaska should be developed at the earliest possible date: Now, therefore, be it

"Resolved by the Assembly of the State of California, That the Assembly of the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate moneys necessary to build highways, harbors, railroads, and other facilities to develop the territory of Alaska; and be it further

"Resolved, That to provide employment for war veterans and encourage the migration to and development of Alaska, the Congress is urged to amend the Servicemen's Readjustment Act of 1944, as amended, to allow veterans of World War II, in lieu of receiving educational benefits under said act, to receive benefits in the same amounts for use in development of lands homesteaded by such veterans in the Territory of Alaska; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President of the United States, the President pro tempore of the Senate, the Speaker of the House of Representatives, and the Senators and Representatives from California in the Congress of the United States."

"House Resolution 100

"Resolution relative to relaxation of social-security restrictions to permit recipients of aid to the aged to assist in the production of food to meet world needs

"Whereas there exists throughout the world a shortage of food so severe as to threaten widespread famine and starvation in many extensive and different areas; and

MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

FEBRUARY 25, 1946.—Ordered to be printed

MR. BARKLEY, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany H. J. Res. 301]

The Committee on Banking and Currency, to whom was referred the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the joint resolution, as amended, do pass.

Section 2 (e) of the Emergency Price Control Act of 1942, as amended, forbids the making of subsidy payments, or purchases of a commodity for the purpose of resale at a loss, except pursuant to an appropriation therefor by the Congress. Section 3 of the act of April 12, 1945 (59 Stat. 50), provides that not to exceed \$225,000,000 of the funds of the Commodity Credit Corporation may be used for making such payments and purchases with respect to the 1945 crop program operations of the Commodity Credit Corporation, without regard to the provisions of such section 2 (e) of the Price Control Act.

The crops of sugarcane now being harvested in Puerto Rico and Hawaii, although planted and grown in 1945, are known as 1946 crops. In order to secure urgently needed increases in the quantity of sugarcane planted in 1945 for harvest in 1946, announcement of a price-support program for these crops was made, subject to congressional authorization, prior to the Japanese surrender. In order to permit Commodity Credit Corporation to make the price-support payments with respect to the 1946 Puerto Rican and Hawaiian sugar crops, it is necessary to extend the authorization with respect to 1945 crop program operations to make it available with respect to 1946 crop program operations relating to sugar.

The price of refined sugar was increased one-half cent per pound February 10, 1946. Even with that increase, there will be a loss of about six-tenths cent per pound on sugar brought into the United States from Puerto Rico and Hawaii. The enactment of this bill is

Calendar No. 1000

79TH CONGRESS
2D SESSION

H. J. RES. 301

[Report No. 991]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5 (legislative day, JANUARY 18), 1946

Read twice and referred to the Committee on Banking and Currency

FEBRUARY 25, 1946

Reported, under authority of the order of the Senate of February 22 (legislative day, January 18), 1946, by Mr. BARKLEY, with amendments

[Omit the part struck through and insert the part printed in italic]

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and
for other purposes.

1 *Resolved by the Senate and House of Representatives*

2 *of the United States of America in Congress assembled,*

3 That (a) section 3 of the Act of April 12, 1945 (59 Stat.

4 50), is hereby amended by deleting in clause (b) (3) of

5 said section, the words "1945 crop program operations", and

6 by inserting, in lieu thereof, the words "~~1945 and 1946~~

7 ~~crop program operations~~"; and "(A) 1945 crop program

8 operations and (B) 1946 crop program operations relating

9 to sugar, vegetables processed prior to July 1, 1946, and

1 *flaxseed harvested prior to July 1, 1946*"; (b) neither the
2 last paragraph of section 2 (e) of the Emergency Price Con-
3 trol Act of 1942, as amended, nor the Act of June 23, 1945
4 (59 Stat. 260), shall be construed to apply to purchases by
5 the Reconstruction Finance Corporation of such tin ores and
6 concentrates as it deems necessary to insure continued oper-
7 ation of the Texas City tin smelter; and (c) the allocations for
8 meat and flour provided in the Act of June 23, 1945 (59
9 Stat. 260) are hereby increased by \$125,000,000 and \$25,-
10 000,000, respectively: Provided, however, That this shall
11 not be construed to increase the aggregate amount allocated
12 by said Act of June 23, 1945, for subsidy payments and
13 anticipated losses for the fiscal year ending June 30, 1946.

Passed the House of Representatives February 4, 1946.

Attest:

SOUTH TRIMBLE,

Clerk.

Calendar No. 1000

79TH CONGRESS
2^D SESSION

H. J. RES. 301

[Report No. 991]

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

FEBRUARY 5 (legislative day, JANUARY 18), 1946
Read twice and referred to the Committee on
Banking and Currency

FEBRUARY 25, 1946
Reported with amendments

11. SUBSIDIES. Passed as reported H. J. Res. 301, to authorize payment of subsidies for 1946 programs (for provisions, see Digest 33)(pp. 1734-43). Agreed, 44-33, to the amendment providing for meat and flour subsidies (pp. 1742-3).
12. URGENT DEFICIENCY APPROPRIATION BILL. Debated this bill, H. R. 5458, which contains the \$100,000,000 item for REA (pp. 1743-52). Agreed, 44-30, to the committee amendment reducing the amount for CPA (pp. 1744-50). Agreed, 45-25, to the committee amendment reducing the amount for OPA (pp. 1750-2).
13. FISH. Received Calif. Assembly resolutions urging a survey of Pacific fisheries and development of tuna fishing (p. 1730).
HOUSING.
14. FARM MACHINERY; Received a Calif. Assembly resolution urging that farm machinery, implements, and housing be made available (p. 1730).
15. FORESTRY INVESTIGATION. Received a Calif. Assembly memorial recommending an investigation of the Forest Service (p. 1731).
16. SCHOOL LUNCH PROGRAM. Sen. Capper, Kans., inserted an American Dietetic Association letter favoring H. R. 3370, the school lunch bill (p. 1731).
17. NARCOTICS. Agreed to the conference report on H. R. 2348 (see item 4)(p. 1743).
18. HOUSING. Sen. McFarland, Ariz., spoke in favor of various amendments to S. 1592, the Wagner-Ellender-Taft housing bill (pp. 1752-5).
19. ADJOURNED until Fri., Mar. 1 (p. 1756).

BILLS INTRODUCED

20. WOOL; IMPORTS. S. 1874, by Sen. Robertson, Wyo., to increase and stabilize the U. S. domestic wool production and to further stabilize the importation of raw wool from foreign countries. To Agriculture and Forestry Committee. (p. 1732.)
21. SURPLUS PROPERTY. H. R. 5608, by Rep. Poage, Tex., relating to the disposition of certain surplus property located outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1790.)
- H. R. 5610, by Rep. Rizley, Okla., relating to the disposition of certain surplus property located outside the U. S. To Expenditures in the Executive Departments Committee. (p. 1790.)

ITEMS IN APPENDIX

22. HOUSING. Rep. Patman, Tex., inserted newspaper editorials favoring his housing bill, H. R. 4761, including provisions for subsidies for new housing and price ceilings on existing houses (pp. A1069, A1070-1, A1076).
- Extension of remarks of Rep. Patterson, Calif., favoring the Patman housing bill (p. A1066).
- Rep. Rogers, Mass., inserted Mrs. McLean's press statement favoring H. R. 5576, to establish priorities for veterans in purchasing surplus property suitable for residential purposes (pp. A1067-8).
- Rep. Sadowski, Mich., inserted a Detroit (Mich.) News editorial favoring the Wyatt housing plan (p. A1071).
23. PRICE CONTROL. Extension of remarks of Rep. Gillie, Ind., favoring the continuation of price control and including constituents' letters urging the continuation (pp. A1053-4).
- Rep. Patman, Tex., inserted Director John W. Snyder's (War Mobilization and Reconversion) statement before the H. Banking and Currency Committee urging the extension of the Emergency Price Control Act (pp. A1071-3).
24. ST. LAWRENCE WATERWAY. Rep. Sabath, Ill., inserted Mayor Kelly's (Chicago) statement before the S. Foreign Relations Committee urging approval of this project (pp. A1073-4).

COMMITTEE HEARINGS RELEASED BY G.P.O.

25. URGENT DEFICIENCY APPROPRIATION BILL, 1946, H. R. 5458. Senate Appropriations Committee.
26. AGRICULTURE APPROPRIATION BILL, 1947, H. R. 5605. House Appropriations Committee. See item 1.
27. SECOND APPROPRIATION RESCISSION BILL, 1946, H. R. 5604. House Appropriations Committee.

COMMITTEE HEARINGS ANNOUNCEMENTS for Feb. 28: S. Foreign Relations, St. Lawrence waterway; S. Agriculture, clothing shortage; S. Banking and Currency, housing bill (ex.); S. Commerce, science bill (ex.); H. Appropriations, deficiency (ex.); H. Agriculture, Cooley farm-credit bill (ex.); H. Banking and Currency, OPA extension; H. Civil Service, Federal pay bill; H. D. C., anti-dog research; H. Expenditures, surplus property (Royall); H. Insular Affairs, Philippine rehabilitation (ex.); H. Merchant Marine, fish; H. Ways and Means, social security.

weaknesses of Allied policy regarding Germany.

GERMANY CAN BE HELPED BACK TO THE ROAD OF
PEACE

In the February issue of the Reader's Digest there is an article by Frederic Sondern, Jr., one of the editors of this widely read magazine. The title of Mr. Sondern's article is We Are Bungling the Job in Germany.

Editor Sondern's comments have been substantiated by on-the-spot observations from other objective reporters which have appeared in our daily press and many prominent periodicals, including the Saturday Evening Post.

Mr. Sondern said in part:

With the establishment of American Military Government over a quarter of Germany and 15,000,000 Germans, we undertook the most difficult and important foreign political task in our history. We are not doing well at it. Our Berlin headquarters is deadlocked in disagreements with our allies. Our Military Government, which redeployment is rapidly stripping of its experienced men, is becoming a laughing stock in the Reich. And the population, which has learned little from defeat, is not impressed by our works or our representatives.

This alleged record of general failure is the more tragic and the more inexcusable in the light of two facts:

First. In isolated, specific instances our Military Government has been successful in weaning Germans away from the Nazi way of thought.

Second. In the United States, Americans of German ancestry have been among the most effective contributors to national defense in time of war and to national welfare in time of peace, with the progress of this Republic ever present in their minds and in their hearts.

A Member of the House of Representatives who visited the American zone of occupation in Germany had this revealing incident to relate, indicative of the possibilities of winning the German people away from the Nazi ideology:

The Congressman was asked to accompany a constituent of his, a German-speaking sergeant, to a meeting in a village hall. The Congressman did not speak German, and the sergeant volunteered to give him an account of what was taking place. The burgomeister called the meeting to order. For some minutes there was a serious discussion. Then the burgomeister called upon the sergeant for a few words. The sergeant began by reading a few rules of conduct expected of the community. After that, he abandoned his prepared speech and launched into a swift flow of German. This had gone on for only a minute or two when, from the back of the room, the older men burst into loud cheers and hand clapping. The burgomeister hastily adjourned the meeting. When the Congressman asked the sergeant what had brought on the demonstration, the sergeant replied: "I merely told the older men, 'Now, you are the heads of your own families. If your children do what you think is wrong, you can now punish them without fear of having them turn you over to the Gestapo.'"

By those simple words, discipline had been restored in over a score of German

homes. Old teachings, true teachings—precepts of honor and of honesty—could once more be uttered without the looming horror of the concentration camp. The tragedy of this picture is that a like liberation could not take place or did not take place throughout our entire occupation area.

What all this evidence points to is that there still remains some assurance that there is hope for the German people of today if—and it is a big if—our occupation policies bring out the good which remains in them. The whole world may be at peace, but heredity and environment are at war still in Germany. We must throw our weight on the side of heredity. We must change their environment from a Nazi environment to a free environment. We cannot just mark time, waiting for the coming of the Hitler of 1960.

Somewhere in the past the German people stood at a point where two roads branched. Their people had produced scientists, musicians, philosophers, engineers, artists, religious and educational leaders. Some of the German people—in fact, most of them—followed false leadership down the wrong road to national socialism and ultimate defeat after the most devastating war in all history. Other Germans, when personal freedom was dead in their own country, fled to the United States. Here, under our Constitution, they built their lives anew and have become an integral part of the social, economic, and political development of our Nation.

GERMANY'S CONTRIBUTIONS TO AMERICA

On January 24, 1946, the Senator from Alabama [Mr. BANKHEAD] declared:

Let us consider the Germans. Relatively speaking, this country is full of Germans. There are in the United States, of foreign born, 1,237,772 Germans. I got those figures from the Census yesterday. There are of Germans born in the United States, one or both parents German, 3,998,850, nearly 4,000,000 mixed-breed Germans.

The Senator's figures, however, only took into consideration Americans born in Germany and Americans one or both of whose parents were born in Germany. What of the unnamed millions of Americans—the so-called second, third, fourth, and fifth generations of Americans—whose remote ancestors were of German origin? What of the unnumbered Americans of German ancestry who have Americanized their names so that the traces of their German origin have been lost in time? The father of the late Senator George Louis Wellington took that name and dropped his own name of Weissgerber when he was naturalized. The well-known name of Rockefeller was known to the German members of that family as Rogenfelder.

Let us look at what Germans, individually and collectively, did for America and for these United States before the continental Germans chose the totalitarian road.

As far back as 1486, Martin Behaim, the Nuernberg astronomer, served King John of Portugal by making researches in navigation. These experiments helped to lay the groundwork for the

voyage of Columbus 6 years later. Martin Waldseemuller of Freiburg gave the very name "America" to the New World. In 1507 he suggested in his book, *Cosmographiae Introduction*—

I do not see why anyone may justly forbid it (the New World) to be named after Americus, its discoverer, a man of sagacious mind, Amerige, that is the land of Americus, or America, since both Europe and Asia derived their names from women.

I can point to many German pioneers in the Western Hemisphere: to the Fugger colony in Peru, the Welser colony in Venezuela and San Domingo, to the Germans whom Capt. John Smith mentioned as being among the early settlers in Jamestown, to John Lederer of Hamburg who was commissioned by Governor Berkeley of Virginia to lead exploring expeditions. I can tell of German settlements in New York, in Pennsylvania, of the "Cote des Allemands"—the German Coast—of Louisiana, and of the pioneering Germans in the midwestern States of Missouri, Ohio, Illinois, Iowa, Minnesota, Nebraska, and my own Wisconsin. How many know that Washington's bodyguard was made up of Germans commanded by Major von Heer, that one of the first American heroines, Molly Pitcher, was born Marie Ludwig? That the Schells, the Zanes, and the Wetzel were names to conjure by on our first frontiers? I could show the great waves of German immigration during the Nineteenth Century which added so much to the commerce, the culture, and the communities of the United States. I could present the picture of Wendeln Grimm, laterly arrived in Minnesota from Germany with a sack of seeds that were later to become the basis of the great American alfalfa crop. I could use as an example the service of agricultural chemist, George Hoffer, in building soils with nitrogen, potash, and phosphorus. And who can dispute the German origin of such names as Kruger, Nimitz, and Eisenhower?

I have shown what Americans of German ancestry contributed to this country. If time permitted I could show even more. But the valuable service of all Americans of German heredity can best be shown by examining the life of one of their number. I refer to that great and distinguished American, Carl Schurz.

CARL SCHURZ—GREAT GERMAN-AMERICAN

Mr. President, I stated that I desired to say a few words about Carl Schurz. He was born on March 2, 1829, near Cologne. He refused to take the turning of the road that led to totalitarianism. He fought the trend which ended in Hitler. When he could no longer resist that trend, he left Germany for the United States. For a time, he lived in Philadelphia. Wisconsin knew him as a resident of both Watertown and Milwaukee—prominent in Republican affairs since 1856, as chairman of the Wisconsin delegation to the Republican National Convention of 1860. Illinois knew him as a speaker, fighting for Abraham Lincoln during the historic Lincoln-Douglas debates. Michigan knew him as the editor of the Detroit Post. Missouri knew

him as coproprietor and editor with Emil Praetorius of the St. Louis Westliche Post and as United States Senator from Missouri. New York knew him as a contributor to Harper's Weekly, as editor in chief of the New York Evening Post and as a pioneer in civil-service reform. The North knew him as a brave and able general during the War Between the States. The South knew him for his fearless report to President Johnson in which he advocated the readmission of the Confederate States with complete restoration of rights and a full investigation of further needs by a congressional committee. The country as a whole knew him as an honest, far-seeing Secretary of the Interior, the office for which Mr. Krug has been nominated.

Significantly enough, it is Carl Schurz who provided the key to the present situation in the American zone of occupation in Germany. Once, when the late Senator Carpenter, of Wisconsin, tried to overwhelm one of Schurz's arguments with Decatur's slogan "My country—right or wrong," Schurz delivered his now famous retort: "My country, right or wrong; if right to be kept right, if wrong to be set right."

THE CHALLENGE TO AMERICA FOR A PEACEFUL GERMANY

It still lies within the power of this country today to keep right those conditions in our zone of occupation in Germany which are right and to set right those conditions that are wrong. It is a great task. But it is, also, a great challenge. The German people must be diverted back onto that road of progress from which they were taken away over a century ago. Will we help them to their destiny of being contributors to civilization? Or will we allow them to remain on the evil road of totalitarianism to be—in another generation—once again the destroyers of civilization? We must act—fearlessly, honestly, speedily—as Carl Schurz would have wanted us to act. This is our job. This is our responsibility. For the sake of our children and our children's children, we dare not fail.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 3370) to provide assistance to the States in the establishment, maintenance, operation, and expansion of school-lunch programs, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. FLANNAGAN, Mr. COOLEY, Mr. ZIMMERMAN, Mr. PAGE, Mr. HOPE, Mr. KINZER, and Mr. ANDRESEN were appointed managers on the part of the House at the conference.

LEAVE OF ABSENCE

Mr. WILEY. Mr. President, in view of the fact that I have to be in Buffalo tomorrow, I ask consent that I may be excused from attendance on the Senate this afternoon and Thursday.

The PRESIDING OFFICER (Mr. MURDOCK in the chair). Without objection, the leave is granted.

MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

Mr. BARKLEY. Mr. President, I ask unanimous consent that the unfinished business, which is the deficiency appropriation bill, be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1000, House Joint Resolution 301.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Banking and Currency with amendments.

Mr. BARKLEY. Mr. President, I wish to make a brief statement with reference to House Joint Resolution 301, which the Committee on Banking and Currency has unanimously reported, instead of similar resolutions which were pending before the committee and which had been introduced in the Senate.

In the present law Congress authorized an over-all subsidy expenditure of \$1,500,000,000. That covered a great many commodities, some of which have been released from the subsidy provisions. In other words, subsidies have either been discontinued or reduced on some articles; but the joint resolution provides for the continuation of the subsidy on sugar beyond the first of July, and also provides for a subsidy on processed vegetables which will be processed prior to June 30, and on flaxseed which is harvested prior to July 1, 1946. It also provides for \$125,000,000 for meat subsidies and \$25,000,000 for flour subsidies, which will not require any additional authorization, but will be payable out of the authorization already made, and which is available because of the reduction or discontinuance of other subsidies.

The situation in regard to sugar is, briefly, as follows: There is a scarcity of sugar in this country, as we all know. The Government of the United States, in order to encourage sugar production, especially in Puerto Rico and Hawaii, provided a subsidy, and also authorized the expectation of an increase in the price of sugar. That was for the planting of the crop in 1945, but it is known as the 1946 crop of sugar. It is necessary in order that such sugar may be imported into the United States and relieve the shortage of sugar, that there be an increase in price of one-half cent a pound. That means that the Government will lose by reason of the subsidy approximately six-tenths of a cent or three-fifths of a cent a pound in addition that cannot be absorbed by the increase. That will cost the Government between \$23,000,000 and \$25,000,000 for the period of 1946, because we do not limit the subsidy payments on this sugar to June 30, 1946, as we do in the case of the other items contained in the bill.

So that in order that we may facilitate the importation and distribution of this sugar, which is a very scarce commodity in the United States, we have provided that the sugar subsidy may continue through 1946, and beyond July 1, because it will not be entirely marketed by that date, but will be marketed throughout the year.

The committee also provided that the subsidy might be continued on processed vegetables which are processed prior to July 1. That will cost a total of from \$5,000,000 to \$8,000,000.

The committee also by an amendment provided for the continuation of the subsidy on flaxseed harvested prior to July 1. That will cost approximately \$1,000,000.

We have provided in the joint resolution that the subsidy on meats shall continue until the 30th of June, and we have allocated out of the funds heretofore authorized, but, as I said, it will not involve any increased authorization, \$125,000,000 for meats and \$25,000,000 for flour. The truth is that the \$25,000,000 for flour in part is made necessary because wheat is selling at approximately parity, and at the ceiling price. It went up a little faster and a little sooner than was expected, and this extra \$25,000,000 is necessary in order to carry on this program for the remainder of the fiscal year ending June 30.

I might also make a further statement, Mr. President, in view of the situation existing in the meat-packing industry. What I shall speak of is not in the joint resolution, and it is not necessary to be in the measure, but I desire to make the statement so it will be in the RECORD because it developed too late to print it in the report. There have been certain wage increases in the packing industry, and, as a consequence, there will be certain increases in the price of meat. I think the increase will be approximately 1½ cents a pound. The wage increases in some cases will be retroactive to January 26, but there is no way by which to make ceiling prices retroactive. Therefore, there is a gap between the effective date of the wage increases and the effective date of the ceilings on processed meats, and it will be necessary for the Government to bridge that gap, which will cost about \$15,000,000. It takes about 60 days for the Office of Price Administration to work out the schedule of ceilings to correspond with the increases which have been made in wages.

This briefly is an explanation of the joint resolution. It has passed the House, and was unanimously reported by the Committee on Banking and Currency. Its enactment is necessary in order to carry on the program for the remainder of the present fiscal year, and extend the sugar program beyond the 1st of July. As I have said, it involves no additional authorization, but will be paid out of funds heretofore authorized to carry on the subsidy program.

Mr. TAFT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Alken	Hart	Overton
Austin	Hatch	Pepper
Bailey	Hawkes	Radcliffe
Ball	Hayden	Reed
Bankhead	Hickenlooper	Revercomb
Barkley	Hill	Robertson
Bilbo	Hoey	Russell
Brewster	Huffman	Saltonstall
Bridges	Johnson, Colo.	Shipstead
Briggs	Johnston, S. C.	Smith
Buck	Knowland	Stanfill
Bushfield	La Follette	Stewart
Butler	Langer	Taft
Byrd	McCarran	Thomas, Okla.
Capper	McClellan	Thomas, Utah
Carville	McFarland	Tobey
Chavez	McKellar	Tunnell
Cordon	McMahon	Tydings
Donnell	Magnuson	Vandenberg
Downey	Maybank	Walsh
Ellender	Mead	Wheeler
Ferguson	Millikin	Wherry
Fulbright	Mitchell	White
George	Moore	Wiley
Gerry	Morse	Willis
Gossett	Murdock	Wilson
Green	Myers	Young
Gurney	O'Mahoney	

The PRESIDING OFFICER. Eighty-three Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, the joint resolution is in the nature of a deficiency subsidy measure. Last year the Congress fixed the subsidy program, under the provisions of the law which was enacted forbidding subsidies to be paid without express authority of Congress. Congress then, in two laws, one for the RFC and one for the Commodity Credit Corporation, established the subsidy program. The total authorized subsidy payments contained in the law relating to the RFC amounted to \$1,503,000,000. In that sum is contained a subsidy for meat in the amount of \$595,000,000, and a subsidy for flour in the amount of \$100,000,000. The meat subsidy will expire about the first of May. The butter subsidy has been partially discontinued. The sum of \$190,000,000 which was allocated for flour will expire sometime around the first of May.

The last amendment in the pending measure is designed to increase the meat subsidy by \$125,000,000 and the flour subsidy by \$25,000,000, so as to enable the present subsidies to be continued until the 1st of July.

Mr. President, so far as I am concerned, I have always been opposed to these subsidies.

Mr. REVERCOMB. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. Will the Senator explain how the flour subsidy is paid and to whom it is paid?

Mr. TAFT. The flour subsidy is paid to the millers. The reason given for the required increase in the flour subsidy is that the price of wheat has increased above the figure at which the subsidy was originally calculated. So, in order to hold the price of flour at the same figure where it was, the millers have been paid a gradually increasing subsidy and have used up in 10 months a subsidy which was intended to last for 12 months. That is approximately the situation in respect to flour.

Mr. AIKEN. Mr. President, let me inquire of the Senator whether the price of wheat is now above parity.

Mr. TAFT. The testimony was that the price of wheat is exactly at parity, and has been for several months.

Mr. AIKEN. Then, the subsidy is to cover the increased cost of milling, so as to hold down the price of bread. Is that correct?

Mr. TAFT. Yes; it is to hold down the price of bread.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. I wish to refer to the time when the distinguished senior Senator from Ohio was assistant to Herbert Hoover, at the time Mr. Hoover was Food Administrator during World War I. Is it not true that today the price of wheat is almost half what it was at that time?

Mr. TAFT. Yes; my impression is that at that time the maximum price for wheat was \$2.25 a bushel, and subsequently, as I recall, it was \$2.50 a bushel. For the crop in 1919, according to my recollection, the price was \$2.50 a bushel. Today it is about \$1.65.

Mr. LANGER. Yes. I wonder whether the Senator can tell us whether anything the farmer buys is cheaper now than it was during World War I.

Mr. TAFT. I am afraid I do not know. My impression is that it is not, but I could not make an unqualified statement on the subject because I do not know the facts.

Mr. LANGER. Coming from an agricultural section of the country, as I do—

Mr. TAFT. I am glad to yield to the Senator.

Mr. LANGER. And knowing the situation there, I can say that the truth of the matter is that farm machinery, for example, costs more today than it did during World War I. At that time farmers were receiving \$2.26 for their wheat in Minneapolis. At the present time, as the Senator from Ohio has said, wheat is selling for 60 cents or more cheaper. The farmer receives that much less for his wheat.

Mr. SHIPSTEAD. And, Mr. President, at that time, during the First World War, beef was selling for 17 or 18 cents a pound.

Mr. LANGER. Yes.

Mr. TAFT. Of course, Mr. President, not only is the price of farm machinery high, but with the increase granted to steelworkers and with the increase in the price of steel it will be necessary to increase the price of farm machinery. The result will be that the price of farm machinery will be higher, rather than lower.

Mr. LANGER. I should like to have the distinguished Senator tell me how the farmers are going to exist, with wages increasing and the price of farm machinery increasing, if the prices paid for crops are lower than they are now. How are the farmers going to exist with eggs, for example, selling at 22 cents a dozen?

Mr. TAFT. I am afraid that question is one which I cannot answer. I do not have the figures, and I do not know the facts. I cannot say whether it can be done or cannot be done; I cannot give a proper answer.

Mr. REVERCOMB. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. REVERCOMB. The able Senators who have asked questions have made a point about the low price of wheat, as compared to the price of wheat following and during World War I. The very point of the inquiry I made a few moments ago—I asked where the subsidy was paid, and the direct answer of the Senator from Ohio was that it was paid to the processor or miller—was that it does not in any way, as I understand, affect the price the farmer receives for his wheat.

Mr. TAFT. I think the subsidies paid today are consumer subsidies. Certainly these two are, and perhaps all food subsidies are. Today the effect is to pay out \$60,000,000 a month in order to make it unnecessary to increase the price of meat 4 cents a pound. That means we are drawing from the Treasury of the United States \$720,000,000 a year which we would not have to draw from the Treasury if we were willing to increase the consumer's price of meat by 4 cents a pound. The testimony was that that would be the increase in the wholesale price, and that in the process of distribution the increased cost to consumers might be 5 cents a pound.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. BARKLEY. In speaking of the effect the subsidy would have on the prices paid for farm products, particularly wheat and meat, let me say there is an indirect benefit growing out of the fact that if it were not for the subsidy the purchaser of wheat or livestock would have to reduce the price paid to producers or would have to increase the price charged to consumers. So in a sense the subsidy does enable them to pay for both wheat and livestock the prices they are paying, and not have to increase the cost of the finished products to the public. That happens by reason of the subsidy we are providing for. That may be an unsound policy, but it does work both ways.

Mr. TAFT. If the subsidy were abolished, it might be that that increase in price would be charged back to the farmer. But as I analyze prices and wages at the present time, the price level is below the wage level and in some cases it is below the cost of production. If we wish to have any production at all, I think the course suggested, namely, of turning this back at a lower price to the farmer, is an utterly impractical course. If we took off the controls, I think the increased price would be passed on to the consumers. The subsidies we are paying today result, as a practical matter, simply in holding down the prices to consumers. In theory, of course, the increase might go back to the farmer.

Mr. BARKLEY. Yes.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. SHIPSTEAD. What is the total amount of food subsidies paid at this time?

Mr. TAFT. Food subsidies are being paid at a rate in excess of \$1,500,000,000, in fact, about the rate of \$1,700,000,000, I think. The largest item is the one to which I have referred, namely, \$720,000,000 for meat. Added to that is \$568,-

000,000 for dairy products, making a total of \$1,300,000,000.

Mr. SHIPSTEAD. Yes.

Mr. TAFT. With this addition the flour subsidy will amount to more than \$200,000,000. So the total will be \$1,500,000,000. Then there are various incidental subsidies which I think bring up the total figure to approximately \$1,700,000,000.

Mr. SHIPSTEAD. \$1,700,000,000?

Mr. TAFT. That is correct.

Mr. SHIPSTEAD. Subsidies in that amount are paid in order to keep down the price of food at the present time. Is that correct?

Mr. TAFT. That is correct.

The President said in his speech that to take off these subsidies would increase the cost of living by 3 percent, which he considered so outrageous that he refused to consider a decrease in the subsidies. He proposed that the subsidies continue during the entire year 1947, although at the same time he is recommending a wage increase and salary increases for Government employees amounting to anywhere from 15 percent to 20 percent, which certainly should enable them to pay an increase of 3 percent in the cost of living.

Mr. SHIPSTEAD. Mr. President, will the Senator further yield?

Mr. TAFT. I yield.

Mr. SHIPSTEAD. The essence, then, is that we are now borrowing money, which is to be paid back in the future, in order to keep the prices of food at the present levels. Is that correct?

Mr. TAFT. That will be the case so long as the Government is operating at a deficit and so long as we add this additional expenditure, which incidentally is not included in the President's Budget for the year 1947. It means a further addition to the national debt.

Mr. SHIPSTEAD. In other words, it means that we shall be postponing the payment of a good share of our food bill for the food we are now eating, to a time in the future when payment will be made out of the taxes paid into the Treasury by the people, or from the proceeds of the bonds which are now being sold.

Mr. TAFT. The Senator is entirely correct.

Mr. BARKLEY. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator mentioned the increase of 15 or 20 percent in salaries and wages which the President is recommending, and the Senator said that as a result of that increase the workers should be able to pay a 3-percent increase in the cost of living. Of course, the Senator realizes that the increase mentioned by the President related not alone to the cost of food which is being subsidized. Three percent would not in any way represent the total increase in the cost of living if all controls were removed and if commodities not subsidized at all were taken into account. In that event, the increase in the cost of living might amount to as much as the increases of wages which the President has recommended.

Mr. TAFT. The Senator makes a proper point. I may also suggest that we reduced taxes 3 percent last year in

order to help consumers pay the additional cost-of-living bill.

Mr. BARKLEY. This measure has nothing to do with the general problem of subsidies to be paid after the 1st of July. That question will arise in connection with legislation dealing with the OPA and with the question of what subsidies are to be paid in the future. As the Senator has said, this measure is in the nature of a deficiency measure for subsidies already authorized.

Mr. TAFT. As I have said, I did not vote for them and I did not propose them, because I do not approve of such subsidies.

One of the questions we confront is whether to continue these subsidies for 2 months at the present rate, and make the main fight on the subject of subsidies in connection with consideration of the bill which is now before the House of Representatives and which proposes to continue these subsidies at the rate of \$1,500,000,000 or \$1,700,000,000 for the next fiscal year, or whether we should say, "No; now is the time to stop. Begin to taper off your subsidies at this time."

Mr. LANGER. Mr. President—

Mr. TAFT. I yield.

Mr. LANGER. I wish to find out for what months the \$190,000,000 is proposed.

Mr. TAFT. The \$190,000,000 for flour?

Mr. LANGER. Yes.

Mr. TAFT. It is for the period from the 1st of last July to the 1st of next July, and it will run out along about the 1st of May. For flour we are paying at the rate of \$120,000,000 a month from the Treasury. The testimony was that if the price of bread were increased 1 cent a pound, it would more than pay the entire subsidy. So, again, it is a consumer's subsidy. In order to prevent the increase in the price of bread by 1 cent a pound, the Federal Government is now proposing to pay \$215,000,000 a year out of the Federal Treasury, and add it to the public debt. That is what the subsidy policy means. As I have said, the pending joint resolution is merely a deficiency subsidy measure.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. Why is not the \$190,000,000 to be paid for wheat instead of for flour?

Mr. TAFT. Because it has always been a consumers' subsidy. The purpose is not to give the farmer more money, but to keep down the price of bread. Before the enactment of the provision requiring that authority be obtained from Congress, it was not possible to pay the subsidy. We tried to abolish it but the President vetoed the bill. Then Congress enacted a provision requiring that express authority be obtained from Congress.

Mr. LANGER. The farmer does not sell flour; he sells wheat.

Mr. TAFT. I have already said that this subsidy is not for the benefit of the farmer. It is for the benefit of the consumer.

Mr. LANGER. I received the impression from the distinguished majority leader that it is for the benefit of the farmer.

Mr. BARKLEY. Oh, no; I did not say that. I said that if it were not for the subsidy millers would be required to reduce the price paid to the farmer for wheat, or it would be necessary to increase the cost of bread, and in order to avoid an increase in the cost of bread the millers were subsidized to that extent. But without the subsidy there would be either an increase in the cost of bread, or the price paid the farmer for wheat would necessarily be lower. So the proposal is an indirect benefit to the farmer in that the price of wheat will not be reduced. Obviously, parity cannot be paid on wheat while at the same time bread is being sold at the price which has obtained. So there must be a reduction in the price of wheat, or an increase in the price of bread, and the purpose of the proposal is to absorb the difference.

Mr. LANGER. The farmer is supposed to receive parity for his wheat. Now he is required to pay taxes on \$190,000,000 out of his profits, if he has any profits, in order that the subsidy may be paid.

Mr. BARKLEY. As the Senator from Ohio [Mr. Taft] has said, we have not subsidized the grower in any of these subsidy programs. In the case of flour made out of wheat, and in the case of sugar, some provision has been made, and also with respect to the processing of vegetables, and there is one direct subsidy, I would say, namely, that on flaxseed. We provided an extension of the pay period to the 1st of July, because the amount allocated together with other expirations will come to an end about the 1st of May. The subsidy program only indirectly helps the farmer. It is useless to try to deceive anybody about that. But there is an indirect benefit received through the prevention of a reduction in the price of the farmer's product, or through the prevention of an increase in the price of the finished product to the consumer.

Mr. DOWNEY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. DOWNEY. I know that the distinguished Senator from Ohio always desires to have the record accurate. In connection with his statement that the President recently urged an increase of from 15 to 20 percent in the salaries of Federal employees, I wish to point out that since 1940 the only basic increase which the Federal worker has received amounts to less than 16 percent, while the cost of living has increased 33 percent. So the proposed increase will do no more than restore to the Federal worker the same real purchasing power he had in 1940.

Mr. TAFT. The recommendation of the President of a 17½-percent increase in the wages of those who are, in many respects, among the highest paid industrial employees, has set a pattern for the entire Nation in respect to the payment of wage workers which brings their compensation to a point nearly 50 percent higher than the prewar rates. I merely contrasted the inconsistency of that policy with the policy which says that it is absolutely outrageous to increase the cost of living 3 percent, while at the same

time the increase in wage rates to which I have referred is taking place.

Mr. McCLELLAN. Mr. President, as I understand, there has been effected a saving in certain subsidies which have been authorized in the past. The pending joint resolution is for the purpose of making certain that that money will be available for meeting deficiencies which will arise with respect to certain other subsidies which have been authorized. Am I correct in my understanding?

Mr. TAFT. Most of the savings is in connection with the \$290,000,000 heretofore paid to petroleum and petroleum products. The moment the war with Germany came to an end there was no longer the slightest necessity to pay all the vast amounts involved in the transportation of gasoline. That money was saved. But, Mr. President, we cannot now say that we are not adding money to the Government expenditures by passing this bill, merely because money which was appropriated for another purpose has already been saved. It is true that the money was not needed for the purpose for which it was appropriated. But to say now that we are not really increasing the budget because the total of \$1,500,000,000 is not any greater, seems to me to be a misrepresentation of the effect of the joint resolution.

Mr. McCLELLAN. That is the point which I wish to emphasize. It is true that the war has come to an end, and it may have resulted in certain savings of money authorized to be spent for specific purposes in connection with the acquisition of needed war material. But what we are proposing now to do is to increase food subsidies and make use of the money which was originally intended for other purposes. The argument is being made that by so doing we are not increasing the budget or spending any more money than at the beginning we had planned to spend. Have I stated the situation correctly?

Mr. TAFT. The Senator is correct. Not only that, but the estimates of expenditures for the fiscal year ending July 1, 1946, in which the President anticipated a deficit of \$15,000,000,000 or \$20,000,000,000, were based on the assumption that there would be no such expenditures, so we are adding to the deficit for the fiscal year 1946 by making the requested appropriation.

Mr. McCLELLAN. Mr. President, I hope the Senator from Ohio will yield to me for a further statement. I do not intend to speak at length, but I must leave the Chamber within a few moments to attend a committee meeting, and I wish to say that I am very anxious that a point be reached when we can eliminate the spending of money for subsidies. During the wartime many expenditures were justified. We spent vast sums of money and engaged in deficit spending, all of which was absolutely necessary. But I honestly believe that the time has come when we should get within the Budget and remain there. I cannot, for the life of me, see any justification at this time for continuing the payment of a subsidy to consumers in America. If it is imperative that it be done at this time, it will be

necessary hereafter to do so, and we will thereby be establishing a permanent governmental policy with respect to subsidizing consumers. I believe the time has come when it should be stopped. I do not see how I can possibly go along with this program when wages are being raised all over the country, and we are undertaking to maintain the national income at the level at which it has been maintained in the past, and must tax our people further, and incur additional deficits which future generations will have to pay. I do not believe it makes sense. I believe the time has come for the American Government and for the people of America to become self-sustaining. If we cannot live on the high national income which now prevails, I see no hope of ever doing so in the future.

Mr. TAFT. Mr. President, I agree with the Senator. I have an additional statement to make with respect to the meat subsidy, a matter which did not come before the committee. Of the \$125,000,000, \$15,000,000 will be used to add to the packers' subsidy for the purpose of meeting additional wage costs involved in the increased compensation of 16 cents an hour to the workers in the packing industry. Mr. President, I wish to make that clear. Mr. Bowles is going to increase the price of meat 1½ cents a pound, I believe that is the figure, 3 weeks from now. He says that the increase subsequent to that date will not be in subsidies. But, he proposes to increase the subsidy in order to meet the increase which will occur between now and 3 weeks from now, and also the retroactive increase which was granted to the packers in many cases, running back to the beginning of the controversy some time in January or the first of February.

Fifteen million dollars is not a tremendous amount, but, in principle, I think if we are to permit an increase of wages, and then compensate for it by subsidy out of the Treasury, we have reached the point where the Government out of the Treasury is simply paying people to do the things the Government wants them to do. It is yielding to a pressure group because it says, "If you do this we will pay you so much for doing it." I do not think we can afford to adopt, in principle, the theory that the Government should pay for wage increases granted by industrial employers, or otherwise.

I myself am going to vote against the joint resolution. I think it is a doubtful question as to when the present practice should stop. When the matter is brought up in July I think I shall take the position that it should be tapered off, so that this increase will not occur all in one lump sum. I think it should be tapered off rather rapidly.

I wish to say a few words in regard to the sugar subsidy. There is a sugar subsidy today, as there has been for some time. The sugar question is a complicated one. In effect, the Government fixed one price for Cuba, another for Puerto Rico, another for Hawaii, and another for the beet-sugar industry.

Mr. LANGER. Will the Senator yield on that point?

Mr. TAFT. In a moment. These are pooled, because, of course, sugar all has to be sold at one uniform price. In order to do that some kind of sugar are subsidized; the Government pays the difference, and then sells the particular sugar for less, and spreads the whole thing out.

Last spring, or some time during the summer months, the officials came before us and said, "We think we are going to have to pay more for the Cuban sugar crop, and we want authority to pay a subsidy for the increased price we will have to pay the Cubans for sugar." The committee immediately objected to that, and said, "No; if you are going to pay more for the Cuban sugar crop you will have to raise the price of sugar to compensate for it." They did have to pay more for the Cuban sugar crop, and they raised the price of sugar by forty-five one-hundredths of a cent. They did not do quite the whole job, because even with that increase in the price of sugar a subsidy of \$15,000,000 more is required in order to handle the crop.

Why the administration did not increase the price fifty-five hundredths of a cent and pay the whole thing, I do not know, and I cannot understand. I am not perfectly certain about the total figures, but I think an increase of 1 cent or 2 cents, if the tariff were restored, would pay the entire sugar subsidy, which is now running at the rate of \$115,000,000 a year.

I do not see why Mr. Bowles should not increase the price of meat, instead of 1½ cents, by 2 cents a pound. Then we would not have to provide this \$125,000,000 provision.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER (Mr. TUNNELL in the chair). Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. TAFT. I yield.

Mr. BARKLEY. As I stated awhile ago, the increase in wages is retroactive; and that is the result of Government action. The Government took over the packing plants, and the increase in wages was made retroactive. It is impossible for the machinery to be worked out overnight to increase the prices to take care of the increase in wages. It has to be done in an orderly way, and the additional \$15,000,000 of which the Senator speaks is to take up the gap between the effective dates of the increase in wages, which the Government itself brought about, and the increase in prices which it will bring about.

Mr. TAFT. It makes no difference to the packer in May whether he gets a subsidy or whether he gets an increased price for his products sold in May or June. The whole \$15,000,000 can be taken care of if, instead of increasing the price 1½ cents, it is increased 2 cents a pound.

Mr. BARKLEY. The packer cannot get an increase in price for either January or February.

Mr. TAFT. That is perfectly true, but the packer does not get the subsidy anyway until about May, and he might just as well get the cash from the consumers in the increased price of meat he sells in May. This fifteen million could be eliminated entirely if Mr. Bowles were

willing to increase the price 2 cents instead of 1½ cents for 2 months, and that is a perfectly possible thing for him to do.

Mr. LANGER. Mr. President, will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. LANGER. Can the Senator tell me why it happens that the producers in Cuba get more for their sugar than those in Puerto Rico, which is part of our own country?

Mr. TAFT. No; the producers in Cuba do not get more than those in Puerto Rico.

Mr. LANGER. They get a larger subsidy. A Puerto Rican cannot compete with the producer in Cuba when it comes to selling sugar, because our Government helps Cuban sugar producers at a larger rate than it does those in Puerto Rico.

Mr. TAFT. That is not quite correct. Today the price paid for Cuban sugar is less than the price paid for Puerto Rican sugar. In normal times the price paid is about 75 cents a hundred pounds more, which is the amount of the tariff. Cuba has to pay the tariff in normal times, and Puerto Rico does not. So Puerto Rico gets about 75 cents a hundred pounds more than Cuba gets. But now, under an Executive order of the President, the tariff has been taken entirely off Cuban sugar.

Mr. LANGER. That is the point exactly.

Mr. TAFT. Still, I do not think the Cubans are paid today as much as the Puerto Ricans are paid, while there may not be as much differential as there was.

Mr. LANGER. If the distinguished Senator will take the trouble to investigate, he will find that since the tariff has been taken off, the Cuban producer is being preferred at the expense of the producer in Puerto Rico, to quite a considerable extent.

Mr. TAFT. It is quite expensive to produce sugar in Puerto Rico, and unless there is a differential, the Puerto Rican sugar industry will be wiped out.

I wish to refer to one other matter in the joint resolution which is now pending. In it there is a provision which reads:

Neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter.

It is not entirely certain that that is required to be authorized by special act. We are apparently losing about \$12,000,000 a year on the operation of the smelter in Texas, using low-grade Bolivian ore, but probably from a national defense standpoint it is wise to continue the operation of that plant at a loss.

I rather objected to taking this out of the general provision that these things must be authorized, until it was pointed out that under the Byrd-Butler Act that operation must be submitted in the budget as part of the program of the RFC for the coming year. That program will be submitted in a short time, and will be open to action by Congress. So I see no objection to including it in this bill, although if the provision should be re-

jected I do not think anything would be lost as a result.

Mr. BARKLEY. Will the Senator from Ohio yield?

Mr. TAFT. I yield.

Mr. BARKLEY. The Senator knows that the tin smelter referred to in the joint resolution is the only tin smelter in the Western Hemisphere.

Mr. TAFT. I understand that.

Mr. BARKLEY. The Director of Reconversion and the stabilization officers, after consulting with the other agencies of the Government, have recommended that it is essential at the present juncture to continue the operation of that one smelter in the Western Hemisphere for the production of tin. How long it will be necessary I cannot predict, but it is the only one in operation, and if it is not continued, even at a loss—which I think has been running at the rate of about \$12,000,000 a year—the result will be serious.

Mr. TAFT. However, the funds contained in the original act are sufficient to cover any possible loss up to the first of July, so I am merely saying this is not an absolutely essential provision at the present time.

Mr. President, while I recognize the arguments of the Senator from Kentucky, so far as I am concerned I am not willing to vote in favor of continuing the subsidy program at full speed, and to some extent at an increased speed, from May 1 to July 1, and therefore I propose to vote against the joint resolution.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LANGER. I am not on the committee, and I should like to ask if this is not in the nature of a deficiency matter?

Mr. TAFT. Yes, because as it turned out, the money under the original act did not last for 12 months, but only for 10.

Mr. LANGER. Can the Senator give us any idea when hearings will be held and we can see to it that Puerto Rico is taken care of the same as Cuba is, so far as sugar is concerned?

Mr. TAFT. This is the last chance to do anything about that, I think, unless there is a desire to pass a special bill, because so far as sugar is concerned, this sets the program for the entire calendar year 1946. It does not call for any additional money, but with the additional authority granted, and using the money provided for sugar last year, the administration can carry out the entire 1946 sugar program. So I do not think the question of sugar will arise again in a general subsidy bill. It may, but it will not be for this calendar year, it will be for the following calendar year, perhaps.

A general bill covering subsidies is now pending in the House of Representatives as part of the OPA program, and I assume the House will take another month or so to dispose of that bill before it comes to the Senate and is considered by the committee. If I may guess, I should say that sometime in April we will have a hearing on the general subject of subsidies.

Mr. LANGER. I am sure the Senator is familiar with the sufferings of the people of Puerto Rico.

Mr. TAFT. I am, yes.

Mr. LANGER. Does not the Senator think the people of Puerto Rico are entitled to at least as much benefit in producing sugar as are the people of Cuba?

Mr. TAFT. I think the people of Puerto Rico should under any plan receive at least 75 cents a hundred pounds more for their sugar than the people of Cuba.

Mr. LANGER. When this matter comes before the Banking and Currency Committee is the Senator going to offer an amendment to that effect, if it should be necessary to do so?

Mr. TAFT. Yes, if we can work out the intricacies of this program so that that may be done. The chief trouble is this: There is an old provision, passed during the First World War, or before that, which provided that a naval vessel coming back from the foreign port, picking up stores in a foreign port, could bring such stores into the United States without their being subject to the tariff. Under that provision the President of the United States—I think with complete lack of authority of any kind—issued an Executive order which extended that authority so as to permit, without being subject to the tariff, any essential commodities to be brought into the United States by any department of the Government, although the statute related only to the Navy Department. Under that order the tariff on sugar from Cuba has been set aside. I certainly propose to do everything I can to see that that Executive order is nullified at the earliest possible date. It could only be justified, if at all, by the grossest extension of the war powers, and it seems to me it should come to an end at once, which automatically would take care of the situation to which the Senator has referred.

Mr. BARKLEY. Mr. President, in that connection I wish to say to the Senator from North Dakota, as I intimated to him a while ago, that the whole question in substance, and even the extension of the OPA, is coming up in a bill now pending in the House committee, on which the committee is holding hearings. The bill is to carry out a program for the remainder of the present fiscal year, which is already in progress with respect to meat and flour, and the sugar crops in Puerto Rico and Hawaii of 1945, that is planted in 1945 but harvested and marketed in 1946. There is not any quarrel between Puerto Rico and Cuba, or Hawaii and Cuba with respect to this matter.

When we come to consider a permanent program of subsidies for sugar or anything else to be effective after July 1, the Committee on Banking and Currency, I can assure the Senator, will go thoroughly into that subject, will have hearings on it, and make a determination of it. But this is a matter to which we have committed ourselves. It is a program for the fiscal year 1946, ending on the 1st of next July, which we have found it necessary to inaugurate, which was recommended by the Department of Agriculture, the Commodity Credit Corporation, the Reconstruction Finance Corporation, and which was adopted by the House of Representatives practically without opposition.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. The House has not passed on the subsidy for meat or the subsidy for flour.

Mr. BARKLEY. No, the House left those items out, but passed the bill I am talking about, containing the sugar provision, the provision respecting the tin smelter, and other provisions. The Senate committee placed in the measure the additional provision respecting flour and meat. It was necessary to do that by reason of the fact that the cost of wheat to the millers has been greater than was anticipated, because the price of wheat rose to parity more rapidly than was expected at the time the program was prepared.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. When I was in Puerto Rico some months ago I went among the farmers who raise sugar. They told me they simply could not compete with the Cuban sugar because the Cuban sugar raisers had a preference from the United States Government. I promised the Puerto Rican farmers to whom I spoke that I would try to see that they were given a square deal, and I want to make good on that promise.

Mr. BARKLEY. Mr. President, almost since the time of Cuban independence the people of Cuba have received a preference. It was a part of the arrangement we made originally, and for years some preference has been given to Cuba. It was not a subsidy. It was a long-time policy of the Government. It may have been unjust, but it has been the settled policy of the Government for two or three decades, or even longer.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. TAFT. That preference, though, is only a preference over foreign nations. In other words, the general tariff rate, we will say is 90 cents, and Cuba pays only 75 cents. Puerto Rico has always had that advantage of 75 cents a hundred pounds until the tariff requirement was completely removed by the Executive order.

Mr. AIKEN. Mr. President, will the Senator yield for one question?

Mr. BARKLEY. I yield if I have the floor.

Mr. AIKEN. Do I understand the Senator correctly that the appropriation made in this joint resolution is for the purpose of carrying out agreements already made?

Mr. BARKLEY. It is to carry out a program which is already in progress. In regard to sugar, we made the promise last year, as an inducement for planting as large a crop as possible. That crop, while planted last year, is not harvested until this year. It is for that reason that the provision respecting sugar extends through the entire year 1946. But the meat-subsidy program is in progress. The flour-subsidy program is in progress. We authorized \$190,000,000 for the flour subsidy. The joint resolution provides \$25,000,000 more for the remainder of this fiscal year, which will make it alto-

gether \$215,000,000, but it will be necessary to cut off the subsidy entirely on the 1st of May unless this measure is passed, and then either the price of wheat will go down or the price of bread will go up. There is no way to get around that. The same applies to meat.

Mr. AIKEN. This appropriation is for the purpose of carrying on a program which is now in progress.

Mr. BARKLEY. It is an understanding between the Government and the producers of flour and meat that we would carry it on during the fiscal year 1946 ending the 1st of next July. If we do not pass this legislation we will not have kept our word with them in holding out the hope that it would be a year-long program ending the 1st of July. Everybody understood that when the new OPA bill should come before Congress we would then determine whether the program should be extended beyond the 1st of July.

Mr. AIKEN. Does the Senator believe that meat has been produced under the expectation that the subsidy would be paid until July 1?

Mr. BARKLEY. There is no doubt about that. The whole program of stimulation which was inaugurated by the subsidy, and the preservation of the price to the grower by reason of the subsidy, though an indirect benefit, has been tied in with the whole program of production, subsidy, and the price to the consumer. It is all an integrated program. I would not be able to say, and I would not state that it has resulted in any individual contract between the Government of the United States and any particular person. It is a program which we have inaugurated.

Mr. TAFT. Mr. President, I should say that the Government is bound in no way to continue the subsidy under the provisions of this joint resolution. What is the choice? The choice is simply that if we do not pass the subsidy legislation Mr. Bowles will have to increase the price of meat. That is the only difference. The farmer gets the same money. The producer gets the same money. The packer gets the same money. The only thing is that the consumer would not continue to get quite as large a subsidy for quite so long a time as he would if the joint resolution were passed. So there is no obligation of any kind. I am told that the flour millers should know what the program is to be 60 days in advance. This money will run for 60 days, so there is really no question in that respect. The flour millers might find it difficult to protect themselves if this program were cut off overnight, but the money already appropriated with respect to flour will continue to be available for flour until May 1, at any rate for at least a period of more than 2 months.

Mr. BARKLEY. While there is no legal contract which is enforceable between the Government and any person receiving the subsidy, everyone knows that it was contemplated and arranged that the subsidy should continue for the entire fiscal year. Everyone understood that.

Mr. TAFT. Not at all. It was provided that it should not cost more than

\$190,000,000. If the officials of the Government have spent that amount of money in 10 months, instead of in 12 months, there can be implied no obligation whatever which would make it necessary to have a deficiency appropriation for the last 2 months.

Mr. BARKLEY. On the basis of the price of wheat at the time the program was inaugurated it would not have cost another dollar, but the price of wheat has increased.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. AIKEN. Is an adequate amount of money appropriated to continue the dairy subsidies until July 1? That is, to pay the subsidies on milk and butter and other dairy products?

Mr. BARKLEY. I understand there is an amount adequate to pay the subsidies on dairy products.

Mr. AIKEN. Until July 1?

Mr. BARKLEY. Until July 1.

Mr. TAFT. I understand the \$568,000,000 appropriated to the Commodity Credit Corporation is ample for that purpose. No deficiency is requested for that item.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. LANGER. I note the intention to take care of the flour millers and the packers. I noted particularly what the Senator from Kentucky said in reply to the Senator from Ohio about the Government making good its word. If it is true that the Government should keep its word in that regard, I want to know why the farmers of South Dakota and Montana did not, in 1943, receive the \$10 an acre which was promised them for seeding flax.

Mr. BARKLEY. I cannot answer that question. I do not know why the farmers did not receive it. But I do not know what that has to do with the pending measure.

Mr. LANGER. It has this to do with it, that the farmers were then promised \$10 an acre in the form of a subsidy for planting flax.

Mr. BARKLEY. There may be many circumstances connected with that matter with which I am not familiar. I do not want to give a curbstone answer to that question because I do not know what the answer is.

Mr. LANGER. It simply seems as though the packers and the flour millers are taken care of pretty well by this measure.

Mr. BARKLEY. It is not a question of taking care of the packers and the flour millers. This whole program was inaugurated, as everyone knows, to prevent an increase in the cost of food. It absorbed an increase that would have been necessary if it had not been provided through this subsidy both in the case of flour and of meat.

Mr. LANGER. But the Senator well knows that in 1943 the Government stated it needed flax. The distinguished Senator from Nebraska [Mr. WHERRY] is familiar with that situation.

Mr. BARKLEY. We are trying to take care of flax in this measure. It contains a provision that flax harvested

up to July 1 shall be included, and a million dollars is provided for that purpose.

Mr. LANGER. That is to provide \$5 an acre for planting flax last year. But the Senator well knows that the farmers did not receive a dollar for planting flax in 1943. The farmers seeded their land to flax, but never received the \$10 which was promised them.

Mr. WHERRY. I will verify that statement.

Mr. BARKLEY. I think there are circumstances in connection with that matter which would be worth going into.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I told the majority leader I would not make a speech with respect to this program, and I want to keep my word. But I wish to ask him a question.

Mr. BARKLEY. I want the Senator from Nebraska to understand that I did not exact such a promise from him, because I always enjoy hearing him speak, even when he is opposed to me.

Mr. WHERRY. I should like to ask the distinguished majority leader a question about the \$125,000,000 which I understand is the meat subsidy. There is a new item of expense of \$15,000,000 in the appropriation to pay the increase in wages to labor in the packing plants.

Mr. BARKLEY. There is nothing in the joint resolution about that. Of the \$125,000,000 provided for, about \$15,000,000 would be used to bridge the gap between the effective date of increased wages and the effective date of increased prices for meats. The increase in meat prices will take care, from that date on, of the increase in wages of the workers.

Mr. WHERRY. That is the point about which I wished to ask. As I understand, the increase in wages is retroactive.

Mr. BARKLEY. It is retroactive to January 26.

Mr. WHERRY. What about prices?

Mr. BARKLEY. Prices must be worked out now. They have not been increased. I am advised by the OPA and the Department of Agriculture that 3 or 4 weeks will be required to devise schedules so as to place the increases on an orderly basis. During that period the men who are working for the packers will be receiving increased wages, and the packers will receive no increased prices during that period. That is the gap to which I am referring.

Mr. WHERRY. When the gap is finally closed, will the increase in prices be reflected all the way back?

Mr. BARKLEY. The increase in wages will be reflected in increased prices for meat.

Mr. WHERRY. I can see that from now on that will be true; but how is the retroactive increase in wages to be reflected in prices?

Mr. BARKLEY. A great deal of meat has been sold since January 26, under present existing prices, but the wage increases go back to that date. There is no way to make price ceilings retroactive, so as to allow the packers to collect an increase on the meat which they have

already sold, during the period when the increased wages took effect.

Mr. WHERRY. I think I have that point clear. I should like to ask the distinguished majority leader one further question: Does this subsidy go back beyond the packer?

Mr. BARKLEY. No. It is a subsidy to the processor.

Mr. WHERRY. I am speaking particularly in the interest of those who produce and feed cattle. They are still subject to the Vinson directive, which establishes a ceiling price on grade A cattle of not more than \$18.

Mr. BARKLEY. Except in such cases—if there be any—in which the ceiling has been removed.

Mr. WHERRY. None of the ceilings have been removed. There was no testimony to that effect.

Mr. BARKLEY. That is true.

Mr. WHERRY. I wish to make it plain that, so far as the producer or cattle feeder is concerned, this subsidy does not reflect a higher price to him, because he is limited now by the Vinson price directive.

Mr. BARKLEY. He is not directly affected; but without the subsidy the packer or the processor might have been required, in order to live, to reduce the price paid to the producer of cattle. That was inevitable, with a ceiling on the price of meat and a ceiling on the price of cattle. Many small packers became squeezed between the upper and nether millstones. Many of them came here. I saw many of them, as did the Senator from Nebraska. The smaller packers had a real case as between the price they had to pay for the livestock and the price they received for processed meats. But indirectly the subsidy has benefited the grower, in that the purchaser did not have to reduce the price below the ceiling in order to make himself whole in the process.

Mr. WHERRY. The argument advanced by the majority leader is that if the subsidy is paid to the processor because his current costs have been increased, the processor or the packer will not reduce the price of cattle in the open market by the amount of his increased costs.

Mr. BARKLEY. That is true.

Mr. WHERRY. So therefore the price which the processor pays the cattle feeder would not be disturbed if the subsidy made up the difference in his current costs.

Mr. BARKLEY. That is correct.

Mr. WHERRY. Mr. President, I wish to have the RECORD show that I am in total agreement with the majority leader as to the theory of the effect of the subsidy. But it does not reach out to the producer as a subsidy, because the processor has to have the subsidy to pay current costs. The only chance the cattle feeder has for maintaining his price on cattle is within the range of the Vinson price directive, and under this program there is no inducement to the cattle feeder to increase the supply of beef.

All this emphasizes the importance of Senate Joint Resolution 118, which is now before the Committee on Banking and Currency. The Congress of the

United States is responsible for the prices established by the Price Administrator. If we are to keep faith with the provisions of the original act, the Price Administrator should not be permitted to set a price below the traditional percentage-wise profit. Certainly when the Price Administrator sets the price it should be partly figured on current costs. If it is not, we shall find more cattle feeders going out of business. The price of corn is high. About the only way it can be obtained is through black-market operations. I point that out to the majority leader because in the consideration of any suggested price relief certainly the traditional percentage-wise mark-ups must be maintained in the light of current costs in order to get production.

While I appreciate the theory of the argument advanced by the distinguished majority leader, which is correct, that whatever help the packer gets should be reflected to some extent in the price on the open market, but that does not work out in practice. It is my belief that the original law itself provides that the Price Administrator shall impose a maximum ceiling which must permit the parity price or the highest price paid between the months of January and September 1942. Unless we get that relief, regardless of the subsidy to the packer, which may or may not be reflected in the price to the cattle producer, we are not going to have cattle in the feed lots to provide meat for the families of America. I hope that the Committee on Banking and Currency will give the suggested resolution consideration. It has been worked out with great care to place prices on a level which will permit production above current cost. If we do not get production, we shall not be able to control inflation, regardless of what price legislation we place upon the statute books.

Mr. BARKLEY. No Member of the Senate and no one in the United States will rejoice more vociferously or enthusiastically than will I when the time comes when we can remove all artificial restrictions or stimulations which have been necessarily imposed during the war and get back to an economy based upon the law of supply and demand, which will fix prices in the over-all picture of our industry and agriculture. But that time has not yet come. We expect to go into that question within the next month. It is now being considered in the House committee; and when it comes before us for consideration, we shall go into it thoroughly. If on the 1st of July the Congress wishes to put an end to subsidies, or to refuse to extend the OPA another day, that will be the responsibility of Congress. But this bill is in the nature of an additional authorization to carry out a program which was contemplated for a year, and not for 10 months.

Mr. WHERRY. Mr. President, will the Senator yield for a further observation?

Mr. BARKLEY. I yield.

Mr. WHERRY. I thank the distinguished majority leader for his remarks, especially those relating to a return to the free competitive system, on the basis of supply and demand. I agree with him in toto.

But I am speaking about the difficulty which is an impediment now. I think we all agree that we want maximum production. The question is, How are we to get it? Some feel that we should have a more flexible price system. I am simply bringing to the attention of the distinguished majority leader—and I know that he will give it consideration—the point that whether we have controls beyond June or not, success in achieving maximum production will depend upon the establishment of maximum prices which will permit such production based on current cost.

In the pending measure, so far as the \$15,000,000 is concerned, there is an attempt to increase the wages of labor without increasing prices, except through a subsidy. The producer does not receive the subsidy except through a reflection in the price in the open market, which I think is most doubtful.

Mr. BARKLEY. The increase in wages is already an accomplished fact.

Mr. WHERRY. I am not disputing that; but it is not taken into consideration in the prices. If it had been, there would be no need for a subsidy now.

Mr. BARKLEY. It will be taken into consideration. It is being taken into consideration; and as soon as the machinery can be put in operation the increased prices of meats will absorb the increased labor costs. However, there is a gap which needs to be filled.

Mr. WHERRY. I believe that the Committee on Banking and Currency should give particular consideration to this question, because unless prices are established which permit production between now and the time about which the Senator speaks, when we can remove all controls and allow our economy to be governed by the law of supply and demand, we shall not have production. We want an economy of maximum production instead of scarcity; and unless we change the price system we shall not have cattle in the feed lots.

Mr. BARKLEY. As a member of the Committee on Banking and Currency, I can assure the Senator that that subject will be gone into in detail when we get to the point of details, and when we come to consider what policy we shall recommend by way of further legislation.

Mr. TAFT. Mr. President, in line with the remarks of the Senator from Nebraska [Mr. WHERRY], I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article from the Cincinnati Enquirer of February 26, 1946.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PACKERS ARE TO SHUT DOWN FRIDAY; FED UP WITH HARASSMENT BY OPA

Seventeen independent meat wholesalers supplying 70 percent of the meat to greater Cincinnati and northern Kentucky decided at a meeting last night to shut down their packing plants for an indefinite period at the close of business Friday.

"It is no longer possible for us to continue in business under the harassing restrictions and complicated regulations imposed by the Office of Price Administration," a spokesman for the group declared. "We are going to shut down our plants to support the move-

ment in St. Louis, where 35 plants are closing Thursday."

Another packer issued the following statement:

"We cannot operate without subsidies, and we cannot operate with subsidies. The OPA gives us subsidies on condition that we abide by the regulations. If we do not abide by the regulations, it threatens to take away the subsidies, plus 6 percent interest from the time they were awarded.

"None of us are honestly able to abide by the regulations because none of us understands them. Nobody on this side of heaven understands them. And yet they bring us into court if there is a single unintentional violation of regulations that no genius could come close to understanding."

It was pointed out that the Government forces the taxpayers of greater Cincinnati and northern Kentucky to pay meat subsidies totaling approximately \$15,000,000 a year. An almost equal sum, it was said, is being paid on a yearly basis by these taxpayers for salaries to Government employees who have to check and recheck subsidy claims.

"The OPA regulations should be canceled or revised," a packer said. "This will permit these Government men to change to more gainful and useful occupations and it will permit us to resume our business without being tied hand and foot by red tape."

The 17 Cincinnati and northern Kentucky packers who will shut down their plants are:

Gus Juengling & Son, Howard Pancero & Co., C. Rice Packing Co., Joe Rice Packing Co., J. B. Ireton Co., William G. Rehn's Sons, G. Ehrhardt Sons, Inc., Herman Kemper Sons, Lester Pancero, Ernest Eckerlin, Henry Meyers Sons, Inc., Jacob Schlachter Sons, Inc., Jacob Bauer Sons, A. Koch's Sons, S. W. Gall Sons, William Reinders & Co., and John Hilberg & Sons Co.

These packers said they would do their last butchering Friday, killing whatever livestock remained on hand at that date. If they go through with their original plans, their plants will continue to be shut down until the OPA revises or cancels its Meat Price Regulation 574, which governs packers in their initial operation—the purchase of live cattle—and follows through to the final operation of obtaining Federal subsidies.

At present three of the packers involved in the shut-down have been cited to court by the OPA which seeks to recover subsidies it has paid and 6 percent interest in addition. All three packers assert that if they have been guilty of violating sections of MPR-574, these violations have been unintentional, and due to the fact that they do not understand the regulations.

Mr. TAFT. I wish to read a portion of the article.

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"The OPA regulations should be canceled or revised," a packer said. "This will permit these Government men to change to more gainful and useful occupations, and it will permit us to resume our business without being tied hand and foot by red tape."

That situation is continuing indefinitely. I am citing only one example of the complete mismanagement of control of subsidies, including the meat subsidy. So far as I am concerned, I shall ask for a vote against the committee amendment which proposes continuation of the meat subsidies at the present rate, together with the flour subsidies at the present rate.

I think the sugar subsidy program is so complicated that I do not desire to interfere with it. But so far as the meat and flour subsidies are concerned, the only possible result of our refusing to adopt the proposal as to those subsidies will be to force the OPA at an earlier date to increase the price somewhat and to reduce the subsidies. I think the lesson to them that the Congress is dissatisfied with their procedure as to the meat subsidy and is dissatisfied with their procedure as to other subsidies, is going to be a very healthy warning. The House refused to adopt the amendment and I think the Senate should reject it.

Mr. BUTLER. Mr. President, I should like to ask the majority leader, as acting chairman of the Committee on Banking and Currency, whether he can give us an answer on this point: It has been stated that approximately from 160 to 175 pounds of meat are available per capita for all persons in the United States during the coming year. Apparently there is an abundance of meat. I think we can agree on that statement.

Mr. BARKLEY. Yes; I think the estimate is that, on a per capita basis, there will be more meat available to consumers in the United States in 1946 than there was in 1945.

Mr. BUTLER. I think that is correct. If we drop the subsidy program on meat, am I correct in the assumption that it will require an advance of about 5 cents a pound in the price of meat in order to give the producer what he is entitled to under the present arrangement? In other words, would not an increase of about 5 cents a pound in the cost of meat to the consumers make up for an abandonment of the subsidy program?

Mr. BARKLEY. The abandonment of the subsidy would either increase the cost to the consumers by about 5 cents a pound or else it would result in a decrease in the price received by the growers or producers of meat products. The change in price for them probably would

be less than 5 cents a pound, because the 5-cents-a-pound figure is based on the finished products. But it would either result in a 5-cents-a-pound increase in the cost to the consumers or in a reduction in the price paid to the producers of the livestock from which the meat is processed.

Mr. BUTLER. I am not certain that the consumers can stand an increase in the price of meat. I am certain that the Government can impose a ceiling on meat, just as it does on grain and other commodities. The average person does not eat a pound of meat a day, so the result would not be to increase the cost of living for the people of the United States more than a maximum of 3 cents a day.

I think the time is here when the people of the United States are in a better position to assume their own board bill and the responsibility for paying their way, without having recourse to money from the Treasury of the United States in the form of subsidies. I do not think the result would be disastrous at all if an additional amount were not made available for the continuance of the subsidy program after May 1, if the funds should be exhausted by that time.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. TAFT. The rejection of this amendment would not necessarily force the OPA to abandon the subsidy program. It would force them to use in 4 months the money they expected to use in 2 months. That would mean that the subsidy would have to be cut in half, and that would mean an increase of 2½ cents a pound in the price paid by the consumer, instead of 5 cents.

Mr. BUTLER. Mr. President, I should like to make a statement in connection with the subsidy to flour millers. Of course, we cannot expect them to operate at a loss, but we certainly can permit an increase in the cost of bread to take care of that situation, since the increase would not possibly be more than 1 cent a day per capita. I think the taxpayer would be far better off to assume that 1-cent-a-day responsibility, rather than to assume at least a 2-cents-a-day responsibility if the program is handled through the Treasury, because about as much is spent for administration as for the payment of the subsidy itself.

Mr. LANGER. Mr. President, did I understand the distinguished senior Senator from Ohio to say that he will ask for a vote on the amendment?

Mr. TAFT. I shall ask for a vote on the last committee amendment.

Mr. LANGER. The committee amendment includes flaxseed.

Mr. TAFT. That is the first committee amendment. I have no objection to it. I refer to the last committee amendment, on the last page.

The PRESIDING OFFICER. The clerk will proceed to state the amendments reported by the committee.

The first amendment of the committee was, on page 1, in line 6, after "the words", to strike out "'1945 and 1946 crop program operations'; and", and insert "(A) 1945 crop program operations and (B) 1946 crop program operations relating to sugar, vegetables proc-

essed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946."

The amendment was agreed to.

The next amendment was, on page 2, line 7, after the word "smelter", to insert "and (c) allocations for meat and flour provided in the act of June 23, 1945 (59 Stat. 260) are hereby increased by \$125,000,000 and \$25,000,000, respectively: *Provided, however,* That this shall not be construed to increase the aggregate amount allocated by said act of June 23, 1945, for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946."

Mr. TAFT. Mr. President, on this amendment I ask for the yeas and nays.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested, and the clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hart	Myers
Austin	Hawkes	O'Mahoney
Bailey	Hayden	Overton
Ball	Hickenlooper	Pepper
Barkley	Hill	Radcliffe
Bilbo	Hoey	Revercomb
Brewster	Huffman	Robertson
Bridges	Johnson, Colo.	Russell
Briggs	Johnston, S. C.	Saltonstall
Buck	Kilgore	Shipstead
Bushfield	Knowland	Smith
Butler	La Follette	Stanfill
Byrd	Langer	Stewart
Capper	McCarran	Taft
Carville	McClellan	Thomas, Okla.
Chavez	McFarland	Thomas, Utah
Cordon	McKellar	Tobey
Donnell	McMahon	Tunnell
Downey	Magnuson	Tydings
Ellender	Maybank	Walsh
Ferguson	Mead	Wheeler
Fulbright	Millikin	Wherry
George	Mitchell	Willis
Gerry	Moore	Wilson
Green	Morse	Young
Gurney	Murdoch	

The PRESIDING OFFICER. Seventy-seven Senators have answered to their names. A quorum is present.

The question is on agreeing to the second committee amendment on page 2, line 7.

Mr. TAFT. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I merely wish to say that I am opposed to the amendment. I think that a vote against subsidies would be a "nay" vote on the amendment. A vote for additional moneys for subsidies would be a "yea" vote on the amendment.

Mr. BARKLEY. Mr. President, the Senator from Ohio is seeking to defeat a committee amendment which was recommended by the Secretary of Agriculture, the Department of Agriculture, the Reconstruction Finance Corporation, and the Commodity Credit Corporation, in order to enable the completion of a subsidy program with respect to meat and flour for the fiscal year ending June 30, 1946. Otherwise the program will have to come to an end on May 1. When it was entered into it was understood that the program would cover the entire fiscal year. The question of subsidies after July 1 next is not involved in the amendment in any way. We will deal with that matter when we come to consider the proposed legisla-

tion for the extension of the OPA Act and the Stabilization Act. I hope the Senate will agree to the amendment.

Mr. TAFT. The Senator made the statement that the program will have to cease on May 1 if the amendment is not agreed to.

Mr. BARKLEY. That is true, or the amount of the subsidy will have to be thinned out over a period of 4 months.

Mr. TAFT. The amount of the subsidy will have to be thinned out over a period of 4 months, or the increase in the price which the consumer must pay will be a very insignificant one.

Mr. BARKLEY. Whatever the amount may be, the program will either have to stop on May 1, or funds now available will have to be thinned out over the additional period which would be a violation of the program which we understood to be in existence at the time we planned for the entire fiscal year. I hope the amendment will be agreed to.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. REED (when his name was called). I have a general pair with the senior Senator from New York [Mr. WAGNER]. Not knowing how he would vote if present, I withhold my vote.

The roll call was concluded.

Mr. HILL. I announce that the Senator from Virginia [Mr. GLASS] and the Senator from New York [Mr. WAGNER] are absent because of illness.

The Senator from Florida [Mr. ANDREWS] is necessarily absent.

The Senator from Pennsylvania [Mr. GUFFEY] is a member of the committee attending the funeral of the late Representative from Pennsylvania, Hon. J. Buell Snyder, and is therefore necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Illinois [Mr. LUCAS], and the Senator from Texas [Mr. O'DANIEL] are detained on public business.

The Senator from Montana [Mr. MURRAY], and the Senator from Idaho [Mr. TAYLOR] are absent on official business.

The Senator from Texas [Mr. CONNALLY] is absent on official business as a representative of the United States to the General Assembly of the United Nations.

The Senator from Alabama [Mr. BANKHEAD] and the Senator from New Mexico [Mr. HATCH] are detained at important committee meetings.

The Senator from Idaho [Mr. GOSSETT] is absent on official business at one of the Government departments.

On this question the Senator from New Mexico [Mr. HATCH] has a general pair with the Senator from Maine [Mr. WHITE].

If present and voting, the Senator from Pennsylvania [Mr. GUFFEY], the Senator from Montana [Mr. MURRAY], the Senator from Idaho [Mr. TAYLOR], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. WHERRY. The Senator from Illinois [Mr. BROOKS] is recovering from a recent operation.

The Senator from Indiana [Mr. CAPEHART] is absent by leave of the Senate on official business of the Small Business Committee, of which he is a member.

The Senator from Maine [Mr. WHITE] has a general pair with the Senator from New Mexico [Mr. HATCH].

The Senator from Wisconsin [Mr. WILEY] has been excused. He is absent on official business.

The Senator from Michigan [Mr. VANDENBERG] is detained on official business.

The result was announced—yeas 44, nays 33, as follows:

YEAS—44

Aiken	Hoey	Morse
Bailey	Huffman	Murdoch
Barkley	Johnson, Colo.	Myers
Bilbo	Johnston, S. C.	O'Mahoney
Briggs	Kilgore	Pepper
Capper	La Follette	Radcliffe
Carville	Langer	Shipstead
Chavez	McCarran	Stewart
Cordon	McFarland	Thomas, Utah
Downey	McKellar	Tobey
Fulbright	McMahon	Tunnell
George	Magnuson	Walsh
Green	Mead	Wheeler
Hayden	Millikin	Young
Hill	Mitchell	

NAYS—33

Austin	Gerry	Robertson
Ball	Gurney	Russell
Brewster	Hart	Saltonstall
Bridges	Hawkes	Smith
Buck	Hickenlooper	Stanfill
Bushfield	Knowland	Taft
Butler	McClellan	Thomas, Okla.
Byrd	Maybank	Tydings
Donnell	Moore	Wherry
Ellender	Overton	Willis
Ferguson	Revercomb	Wilson

NOT VOTING—19

Andrews	Gossett	Taylor
Bankhead	Guffey	Vandenberg
Brooks	Hatch	Wagner
Capehart	Lucas	White
Connally	Murray	Wiley
Eastland	O'Daniel	
Glass	Reed	

So the amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the joint resolution.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution (H. J. Res. 301) was read the third time, and passed.

BROADCASTING OF NONCOMMERCIAL CULTURAL OR EDUCATION PROGRAMS

The PRESIDING OFFICER (Mr. TUNNELL in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 63) to amend the Communications Act of 1934, as amended, so as to prohibit interference with the broadcasting of noncommercial cultural or education programs, which were to strike out all after the enacting clause and insert:

That title V of the Communications Act of 1934, as amended, is amended by inserting after section 505 thereof the following new section:

"COERCIVE PRACTICES AFFECTING BROADCASTING

"Sec. 506. (a) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation, or duress, or by the use or express or implied threat of the use of other means, to coerce, compel, or constrain or attempt to coerce, compel, or constrain a licensee—

"(1) to employ or agree to employ, in connection with the conduct of the broadcasting

business of such licensee, any person or persons in excess of the number of employees needed by such licensee to perform actual services; or

"(2) to pay or give or agree to pay or give any money or other thing of value in lieu of giving, or on account of failure to give, employment to any person or persons, in connection with the conduct of the broadcasting business of such licensee, in excess of the number of employees needed by such licensee to perform actual services; or

"(3) to pay or agree to pay more than once for services performed in connection with the conduct of the broadcasting business of such licensee; or

"(4) to pay or give or agree to pay or give any money or other thing of value for services, in connection with the conduct of the broadcasting business of such licensee, which are not to be performed; or

"(5) to refrain, or agree to refrain, from broadcasting or from permitting the broadcasting of a noncommercial educational or cultural program in connection with which the participants receive no money or other thing of value for their services, other than their actual expenses, and such licensee neither pays nor gives any money or other thing of value for the privilege of broadcasting such program nor receives any money or other thing of value on account of the broadcasting of such program; or

"(6) to refrain, or agree to refrain, from broadcasting or permitting the broadcasting of any radio communication originating outside the United States.

"(b) It shall be unlawful, by the use or express or implied threat of the use of force, violence, intimidation or duress, or by the use or express or implied threat of the use of other means, to coerce, compel or constrain or attempt to coerce, compel or constrain a licensee or any other person—

"(1) to pay or agree to pay tribute for the privilege of, or on account of, producing, preparing, manufacturing, selling, buying, renting, operating, using, or maintaining recordings, transcriptions, or mechanical, chemical, or electrical reproductions, or any other articles, equipment, machines, or materials, used or intended to be used in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(2) to accede to or impose any restriction upon such production, preparation, manufacture, sale, purchase, rental, operation, use, or maintenance, if such restriction is for the purpose of preventing or limiting the use of such articles, equipment, machines, or materials in broadcasting or in the production, preparation, performance, or presentation of a program or programs for broadcasting; or

"(3) to pay or agree to pay tribute on account of the broadcasting, by means of recordings or transcriptions, of a program previously broadcast, payment having been made, or agreed to be made, for the services actually rendered in the performance of such program.

"(c) The provisions of subsection (a) or (b) of this section shall not be held to make unlawful the enforcement or attempted enforcement, by means lawfully employed, of any contract right or legal obligation.

"(d) Whoever willfully violates any provision of subsection (a) or (b) of this section shall, upon conviction thereof, be punished by imprisonment for not more than 1 year or by a fine of not more than \$1,000, or both.

"(e) As used in this section the term 'licensee' includes the owner or owners, and the person or persons having control or management, of the radio station in respect of which a station license was granted; and

Amend the title so as to read: "An act to amend title V of the Communications Act of 1934 so as to prohibit certain coercive practices affecting radio broadcasting."

Mr. WHEELER. Mr. President, I move that the Senate disagree to the amendments of the House, ask for a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JOHNSON of Colorado, Mr. TUNNELL, Mr. MYERS, Mr. WHITE, and Mr. AUSTIN conferees on the part of the Senate.

WILLIE H. JOHNSON

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1129) for the relief of Willie H. Johnson, which was, on page 1, line 6, to strike out "\$600" and insert "\$350."

Mr. PEPPER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

COVERAGE OF CERTAIN DRUGS UNDER FEDERAL NARCOTIC LAWS—CONFERENCE REPORT

Mr. GEORGE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2348) to provide for the coverage of certain drugs under the Federal narcotic laws, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate; and agree to the same.

WALTER F. GEORGE,
D. I. WALSH,
JOS. BAILEY,
ROBT. M. LA FOLLETTE, JR.,

Managers on the Part of the Senate.

R. J. DOUGHTON,
JERE COOPER,
JOHN D. DINGELL,
A. WILLIS ROBERTSON,
HAROLD KNUTSON,
D. A. REED,
ROY O. WOODRUFF,

Managers on the Part of the House.

Mr. GEORGE. Mr. President, I move the adoption of the conference report.

The report was agreed to.

URGENT DEFICIENCY APPROPRIATION ACT, 1946

The Senate resumed the consideration of the bill (H. R. 5458) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes.

Mr. MCKELLAR. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that it be read for amendment, and that the committee amendments be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the amendments of the Committee on Appropriations.

The first amendment of the Committee on Appropriations was, under the heading "Legislative," on page 2, after line 1, to insert:

SENATE

For an additional amount for clerical assistance to Senators (including chairmen of

standing committees) at the rate of \$2,400 per annum, effective March 1, 1946, fiscal year 1946, \$76,800.

The amendment was agreed to.

The next amendment was, on page 2, after line 6, to insert:

Notwithstanding the provisions of the act of May 10, 1916, as amended by the act of August 29, 1916, the Sergeant at Arms of the Senate is hereby authorized during the Seventy-ninth Congress to employ, whenever necessary, the services of Government employees for folding speeches and pamphlets at the prevailing rates provided by law.

The amendment was agreed to.

The next amendment was, under the subhead "House of Representatives," on page 2, after line 15, to insert:

For payment to the widow of J. Buell Snyder, late a Representative from the State of Pennsylvania, \$10,000.

The amendment was agreed to.

The next amendment was, under the heading "Executive Office of the President—Office for Emergency Management—Civilian Production Administration," on page 3, line 9, after the numerals "1946", to strike out "\$1,500,000" and insert "\$750,000."

Mr. HAYDEN: Mr. President, I desire to be heard in opposition to the committee amendment. I desire to invite the attention of the Senate to the fact that the amount of money carried in the bill as it passed the House is the amount contained in the Budget estimate, and that it was adopted by the House on a unanimous report from its Committee on Appropriations, and that the leadership on both sides in the House supported it.

I quote from the CONGRESSIONAL RECORD the statement by Mr. CANNON of Missouri, the chairman of the House Committee on Appropriations, who said this appropriation—

deals with the disposition of every commodity, and especially, at this time, housing items, lumber, steel, and building materials, of which the whole country is so desperately in need. It has already relaxed many of its restrictions, but due to the change in the economic situation and delay in the reconversion program, it is necessary now to continue many of its activities and resume some of those discontinued to insure an adequate supply of materials and facilitate their distribution.

Then Mr. TABER, the Republican leader on the House Committee on Appropriations, said:

This bill does not call for an enormous sum of money. The total involved is something in the neighborhood of \$3,500,000. One of the major items is the Office of Civilian Production. I can see where a very considerable additional activity temporarily and for a few months after the severe strike situation that the country is facing, will be placed upon that Administration, because there probably will have to be for a little while allocations of some of the critical materials. We probably could not break away from that immediately.

The committee report, which is unanimous, points out that it has become necessary to retain an effective operating organization in addition to activities concerned in orderly liquidation. That is due to the strike situation, to the fact that unemployment was not so great as had been expected, and therefore there is a shortage of labor. As pointed out

in the report there were 23,000 employees in the Office of War Production when the war with Germany came to an end. After that the number was reduced. When VJ-day came the number was down to 11,000. Mr. Small, who is head of the organization, appeared before our committee last fall and said they were continuing to reduce the number of employees; that by the first of the year they would have cut down the number to 2,500; that by this time they would have cut down the number to 2,300, and by the 1st of April, if they were given no more money, the number would be reduced to 400, and the 400 would wind up the Civilian Production Administration.

The coal strike was then in progress, and Mr. Small stated at that time that if there was a continuance of labor disturbances which interfered with production it would be necessary to channel material. He agrees with everyone that production is the essence of this situation. He said that if ample production could be obtained it would not be necessary to channel material. In the absence of ample production, caused by strikes, by the unavailability of labor, or whatever it may be, it is necessary for a time to continue to channel materials, particularly in the building industry. For that reason we are confronted with this question: Do we, out of a total of 23,000, want to keep on the pay roll from April to the 30th of June 2,300 experts who know how to channel these materials? It takes this much money to do it. The House has appropriated it. I think the Senate should appropriate it.

Mr. McKELLAR: Mr. President, I regret very much that my distinguished friend, the Senator from Arizona, whom I admire and esteem most extravagantly, should take the position that this appropriation ought to be increased. The question is perfectly simple. The matter of housing has recently been placed in the hands of a housing administrator, Mr. Wyatt, who, from what I hear of him and from what I have seen of him, seems to be a very excellent man. The Administration of which Mr. Small is the head is the old War Production Board. Last fall the War Production Board, like all the war agencies, was asked to make a thorough examination and cut down its appropriations, have them rescinded and the money placed back in the Treasury. Mr. Small did that.

In the meantime that agency had been changed from the War Production Board to the Civilian Production Administration. It is remarkable that that should have occurred at the time it did occur, to say the least. Why should the name be changed? If the agency was doing good work in wartime, it could continue to do good work in peacetime if it were necessary to retain it. It was not necessary to change the name. That in itself is somewhat peculiar.

But that is not the real trouble, Mr. President. The real trouble is that they are now undertaking to justify a larger appropriation by saying that they are going to use the money to help the housing situation. Unless the whole system of government has been changed from what it was during the 35 years I have been connected with it, we all know that

the Housing Administration will not get started before about the 1st of July. If it is able to start by that time, it will be doing well. It will do something, but it will not become very vigorous or active before the 1st of July. In the meantime one and a half million dollars will be spent by the other agency, which is not a housing agency, but which seems very kindly disposed toward the new Housing Administration and is willing to keep many of its old employees on the pay roll of the new agency under the excuse, as it seems to me, and as I think anyone may infer from the testimony, that this money will be spent for the benefit of the Housing Administration, which, Mr. President, has not really yet been set up.

Mr. President, it seems to me for the Congress to appropriate money under such circumstances is not justifiable, and I am opposed to that kind of legislation. Perhaps I may be wrong. It may be that the Senator from Arizona is right. Perhaps Mr. Small will allocate this money in such a way that it will do the Housing Administration some good. I do not know. It will certainly provide salaries for members of the old War Production Board until July 1, and it seems to me to be unnecessary even to allow half the amount for that purpose. I think it would be better if they had not made a request for money. Now that the war is over, we will have to end many of the war agencies at some time.

Mr. President, keep in mind that this agency is really the War Production Board. The War Production Board should have been one of the first agencies to go out of existence. Instead of that they made request for appropriation last fall. They reduced the number of employees very considerably, and that was entirely proper; but I think the War Production Board should pass entirely out of the picture by July 1, next. I think it would be regrettable that that should not happen; but surely the Senate ought not to appropriate more than the committee recommended. This subject was very thoroughly examined into by the committee. There was a very great difference of opinion. The matter was very carefully considered and voted on, not once, but several times, as I remember, in one way or another. For that reason it seems to me that the recommendation of the committee is about the best we can do in the matter.

Mr. CORDON: Mr. President, will the Senator yield?

Mr. McKELLAR: I yield.

Mr. CORDON: I inquire of the distinguished Senator from Tennessee whether it is his understanding that the Housing Authority at the present time has the legal authority to allocate lumber and other building material, as has the Civilian Production Administration, successor to the War Production Board? That seems to be the field in which the Civilian Production Administration intends to work.

Mr. McKELLAR: We had a great deal of evidence on the question. As I understand, the Civilian Production Administration has assumed to take that duty on itself for the Housing Authority, and I do not believe that that ought to be done. I do not believe that we should establish

Mr.

1.

ADJOURNED until Mon., Mar. 4 (p. 1887). Majority Leader McCormack announced the program for this week, as follows: Mon., consent calendar, followed by Patman housing bill and agricultural appropriation bill; Tues., private calendar, followed by agricultural appropriation bill, second appropriation rescission bill, and civil-service retirement bill during most of the remainder of the week (p. 1863).

SENATE

10. URGENT DEFICIENCY APPROPRIATION BILL. Passed with amendments H. R. 5458, which contains the \$100,000,000 loan authorization for REA (pp. 1834-52). Rejected, 52-23, a Committee amendment to give FPC authority to determine areas where REA generating plants may be constructed (pp. 1834-52). Had previously agreed to amendments reducing amounts for CPA and OPA. Sens. McKellar, Glass, Hayden, Tydings, Russell, Brooks, Bridges, and Gurney were appointed conferees (p. 1853).
11. SUBSIDIES. Both Houses appointed conferees on H. J. Res. 301, to authorize payment of subsidies for the 1946 programs (for provisions see Digest 33). These were Sens. Barkley, Downey, Murdock, Tobey, and Taft; and Reps. Spence, Brown, Patman, Wolcott, and Crawford (pp. 1853, 1865).
12. HOUSING. Received a Calif. Legislature resolution favoring S. 1592, to establish a national housing policy (p. 1828).
13. FLOOD CONTROL. Received a Barnes County (N. Dak.) Board of Commissioners' resolution urging the construction of the Bald Hill Reservoir on the Sheyenne River, N. Dak. (p. 1830).
14. PERSONNEL. Received a report from the Public Lands and Surveys Committee showing employees detailed to that Committee from this Department during February, 1946 (p. 1830).
15. ST. LAWRENCE WATERWAY. Sen. Langer, N. Dak., inserted former President Herbert Hoover's letter favoring this project (p. 1834).
16. RESEARCH. Discussed S. 1248, to establish a Bureau of Scientific Research in the Commerce Department to handle patent and invention research and offer the results to the public (pp. 1853-5).
17. ADJOURNED until Tues., Mar. 5 (p. 1859).

BILLS INTRODUCED

18. RECLAMATION. S. 1881, by Sen. O'Mahoney, Wyo. (for himself and Sen. Hayden, Ariz.), to provide for the flow of revenues from Federal reclamation projects into miscellaneous receipts of the Treasury and to provide that revenues from Federal reclamation projects hereafter financed wholly from general funds of the Treasury shall be converted into miscellaneous receipts of the Treasury. To Irrigation and Reclamation Committee. (p. 1831.) Remarks of author (p. 1855).
19. EXTENSION WORK; TERRITORIES. S. 1884, by Sen. Langer, N. Dak., to authorize an appropriation of \$3,750,000,000 to establish and maintain agricultural colleges in Alaska, Hawaii, and Puerto Rico. To Agriculture and Forestry Committee. (pp. 1831, 1856.) Remarks of author (p. 1856).

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 36

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 4, 1946, for actions of Friday, March 1, 1946)

(For staff of the Department only)

CONTENTS

Adjourned.....9,17	Housing.....1,9,12,27,32	Public roads.....21
Alcohol.....3	Insecticides.....26	Rationing.....2
Appropriations.....5,8,9,10	Labor, farm.....28	Reclamation.....18
Civil service.....30	Legislative program.....9	Research.....6,16
Electrification.....22,33	Loans, farm.....20	Soil conservation.....33
Extension work.....19	Marketing.....26	Subsidies.....11,32
Feed shortage.....33	Personnel.....5,9,14,25,30	Sugar.....2
Flood control.....13	Price control.....7,27,29,32	Territories.....19
Forestry.....6	Property, surplus.....33	Transportation.....15,31
Grain.....4,33	Public debt.....23	War termination.....24,32

HIGHLIGHTS: Both Houses appointed conferees on measure authorizing 1946-program subsidies. Senate passed urgent deficiency appropriation bill. House continued debate on Patman housing bill. Agreed to Committee amendment to provide for price control on only new housing.

HOUSE

1. HOUSING. Continued debate on H. R. 4761, the Patman housing bill, which provides for price control and subsidies (p. 1865-84). Agreed, 154-68, to the Committee amendment to provide for price control on only new housing (pp. 1865-73).
2. SUGAR RATIONING. Rep. Phillips, Calif., stated that sugar certificates have been sold in the Los Angeles OPA office (p. 1885-6).
3. ALCOHOL. Rep. Rees, Kans., criticized use of food for liquor (p. 1886-7).
4. CORN SHORTAGE. Rep. Jenkins, Ohio, criticized the corn shortage and stated that there are "conflicting agencies" dealing with the matter (p. 1863).
5. PERSONNEL; APPROPRIATIONS. Received from the President a supplemental appropriation estimate of \$175,000 for the Civil Service Commission. To Appropriations Committee. (H. Doc. 492.) (p. 1887.)
6. FORESTRY RESEARCH. Received a Monroe, Wis., Chamber of Commerce resolution favoring a forestry-research station in Wis. (p. 1888).
7. PRICE CONTROL. Received a Woodbury, N. J., Council resolution favoring exemption of States and subdivisions from price-control regulations (p. 1888).
8. APPROPRIATIONS COMMITTEE. Reps. Neely, W. Va., and Flood, Pa., were elected to this Committee (p. 1862).

Mr. McKELLAR. I move that the Senate insist upon its amendments, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. GLASS, Mr. HAYDEN, Mr. TYDINGS, Mr. RUSSELL, Mr. BROOKS, Mr. BRIDGES, and Mr. GURNEY conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. WOLCOTT, and Mr. CRAWFORD were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 2348. An act to provide for the coverage of certain drugs under the Federal narcotic laws; and

H. R. 4571. An act to amend the First War Powers Act, 1941.

MODIFICATIONS IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair) laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. BARKLEY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BARKLEY, Mr. DOWNEY, Mr. MURDOCK, Mr. TOBEY, and Mr. TAFT conferees on the part of the Senate.

ALBERT E. SEVERNS—CONFERENCE REPORT

Mr. ELLENDER submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2335) for the relief of Albert E. Severns, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment, as follows:

In lieu of the sum inserted by the Senate amendment, insert \$2,500; and the Senate agree to the same.

ALLEN J. ELLENDER,
ARTHUR CAPPER,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
W. A. PITTENGER,
Managers on the Part of the House.

Mr. ELLENDER. I move the adoption of the conference report.

The report was agreed to.

MRS. S. P. BURTON—CONFERENCE REPORT

Mr. HUFFMAN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2487) for the relief of Mrs. S. P. Burton, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows: That the Senate recede from its amendment.

JAMES W. HUFFMAN,
ALLEN J. ELLENDER,
Managers on the Part of the Senate.

DAN R. MCGEHEE,
J. M. COMES,
JOHN JENNINGS, JR.,
Managers on the Part of the House.

Mr. HUFFMAN. I move the adoption of the conference report.

The report was agreed to.

BUREAU OF SCIENTIFIC RESEARCH

Mr. MEAD. Mr. President, as chairman of the subcommittee of the Committee on Commerce, which considered Senate bill 1248, which was introduced by the Senator from Arkansas [Mr. FULBRIGHT], I should like to have the bill considered by the Senate this afternoon. I doubt whether it can be considered by unanimous consent, but if it cannot I shall move, if it be agreeable to my colleagues, that the Senate proceed to the consideration of Senate bill 1248.

Mr. TAFT. What is the calendar number?

Mr. MEAD. Calendar No. 918.

The PRESIDENT pro tempore. The clerk will state the bill by its title for the information of the Senate.

The CHIEF CLERK. A bill (S. 1248) to establish a Bureau of Scientific Research, and for other purposes.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. TAFT. I object.

Mr. MEAD. Mr. President, I move that the Senate proceed to the consideration of Senate bill 1248.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from New York.

Mr. TAFT. Mr. President, there have been introduced three or four bills representing many different theories with respect to the proper method of establishing a Bureau of Scientific Research. It seems to me that more notice should have been given of the intention to ask that the Senate consider a bill of such importance as the one which the Senator from New York seeks to bring up.

I think the Senator should wait until next Monday or Tuesday before asking that the Senate take up the bill. Many Senators are not present and cannot now consider the matter. Other bills have been introduced which have yet to be given a hearing, as I understand, before the committee to which they were referred.

Mr. MEAD. Mr. President, it would be perfectly agreeable to me to make Senate bill 1248 the unfinished business of the Senate. The bill has been on the calendar for some time. The sponsors of the other bills to which reference has been made have, as I understand, agreed on a simple proposal. That is a matter entirely different than the one now before us. The proposal represented by the other bills deals with basic research and basic science. Senate bill 1248 deals with the application of the sciences and research work to the problems of today. It is an aid primarily to small business. It would provide a service which has not otherwise been provided, and cannot be provided by small independent business.

Mr. TAFT. Mr. President, the bill which was introduced by the Senator from Virginia [Mr. BYRD] has been on the calendar much longer than the bill to which the Senator from New York has referred. The bill introduced by the Senator from Virginia would establish a research board for national security. It is Calendar No. 549, Senate bill 825. A somewhat different question is there involved, and it seems to me that the entire subject should come up at one time, and that sufficient notice should be given that the subject is to be considered.

Mr. REVERCOMB. Mr. President, with reference to the subject now being discussed, I invite attention to the fact that there is now pending before the Military Affairs Committee a bill which was only recently reported by a subcommittee of that committee which gave months of time to hearings on the subject. The bill to which I refer is Senate bill 1850. It deals with the general subject of establishing a foundation for scientific research. Undoubtedly it will incur a great deal of discussion in the full committee before which it is now pending. I am advised that the bill referred to by the Senator from New York is somewhat different, but is along the same line. I have not had an opportunity to study the bill which the Senator from New York has moved that the Senate proceed to consider. I know however, as a member of the subcommittee of the Military Affairs Committee, that the general subject is one which will precipitate an extended discussion both in the Military Affairs Committee, and perhaps on the floor of the Senate. The report from the subcommittee is now pending before the Committee on Commerce, and is pending there today because there was introduced in the Senate and referred to the Committee on Commerce a bill dealing with a proposed foundation for scientific research.

Moreover, I am advised that pending before the Committee on Commerce is another bill dealing with the same sub-

ject. The bill was introduced by the Senator from Indiana [Mr. WILLIS].

Mr. President, it seems to me that if we are to approach the subject properly, all the bills to which reference has been made should be before the Senate, or certainly we should have an opportunity to study them and know what differences may exist between them, and not take up the matter piecemeal by discussing and considering only one bill which deals with any one phase of the subject.

I hope the Senator from New York will not urge his motion, but instead will wait until the other bills on the subject are before the Senate so that we may then consider the subject in its entirety, and not consider only one of the bills on the general subject of scientific research.

Mr. MEAD. Mr. President, I may say that we now have within the Government the necessary technological research facilities. They are widespread in various agencies of the Government. The purpose of the bill which I have moved that the Senate proceed to consider is to coordinate the services which now exist, and make them more readily available to small independent businesses which will require those services if they are successfully to compete in the modern industrial age in which we now live.

At any rate, Mr. President, I shall be governed in great part by the wishes of the author of the bill.

Mr. FULBRIGHT. Mr. President, I may say for the information of the Senate that this bill was called up on the calendar at a time when, unfortunately, I was not present in the Chamber. It was passed over. I have discussed with the minority members of the committee as to when would be a proper time to bring the bill before the Senate. There is some confusion with reference to the purpose of the bill. I may say that it is not designed to further research in the basic sciences. So far as research is concerned, the bill is designed merely to coordinate what is already within the Government. One of the principal purposes of the bill is to maintain an index of technological knowledge which already exists within the Government. One of the principal subjects with which the bill deals in the immediate future is the mass of industrial secrets of the Axis countries now being gathered by experts of the Army and the Department of Commerce.

I invite attention to an article by a writer by the name of Ball which appeared a few days ago in the Washington Post. In his article he commented on the number of industrial secrets which are being brought to our Department of Commerce from Germany and are being declassified by the Department of Commerce.

Senate bill 1248 would provide for the establishment of technical services within the Department of Commerce. It is entirely different from the bill which is commonly known as the Kilgore or Magnuson bill.

It may be that further opportunity should be given to Senators to study the bill. However, there is no reason to consider it together with the other bill, because there is no real connection between the two. It is true that when the other

bill was drawn the subject of atomic energy was in mind. But Senate bill 1248 is not designed to conduct research into the subject of atomic energy, or basic science, but to make available to the public the knowledge we already have. It should be made available to small business as soon as practicable.

Mr. REVERCOMB. Mr. President, I may say to the Senator from Arkansas that the bill now pending before the Military Affairs Committee, known as the Kilgore-Magnuson bill, provides for an over-all treatment and study to be made of scientific research, and is bound to reach into a field which will bring it into conflict, it would seem to me, with any other bill dealing with a definite or particular department of the Government.

I do not object to the bill of the Senator from Arkansas, but I assert that the Senate should not consider the subject piecemeal. It should be done with the whole subject of scientific research brought on for hearing on the bill of the Senator from Arkansas, the bill now pending before the Committee on Military Affairs, and other bills such as the one introduced by the Senator from Indiana. If we take this matter up piecemeal, we are going to find conflicts in some of the provisions of particular bills, such as the one now sought to be considered.

Mr. WILLIS. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. WILLIS. I should like to say, in this connection, that while the bill introduced by myself and some of my colleagues perhaps does not conflict in any way with the bill the Senator from Arkansas is presenting, yet this whole subject should be reviewed in the light of the over-all definitions. It is a subject to which I presume very little attention has been paid by the laymen of the Senate, and I think it would be most unwise to take up this segment of scientific research work without having the whole picture before us. I believe it would be unwise, and I do not think the Senator from New York should press his motion at this time.

Mr. FULBRIGHT. Mr. President, one further comment. I am not disposed to press the bill until Senators can have an opportunity to study it. But this is not a piecemeal approach. There are different subjects involved. It is no more piecemeal than a steel plant is a piecemeal research operation. This is a practical matter. True, there is some connection between the laboratory in the University of Indiana or the laboratory at MIT, and the industrial manufacturing plants, but they are generally conceded to be performing different functions. One subject is involved in my bill, and different subjects in the other bills. There is a relationship, but no identity of purpose or function.

Mr. WILLIS. Will the Senator yield further?

Mr. FULBRIGHT. I yield.

Mr. WILLIS. Does the Senator think a majority of the Senators have a clear picture of this field of legislation? Even if it is a distinct measure the Senator is sponsoring, would it not be better to

give the Senate a little time to study it?

Mr. FULBRIGHT. I doubt that I have a clear picture of any bill except the ones from my own committees. I am not disposed to press the bill today, but I think that in the very near future these bills should be passed. For example, the one dealing with the declassification of the industrial secrets being discovered in Germany is very important. Information is being sent out every day, and I think it would be very helpful if the facts could be developed and made available to the people.

Mr. TAFT. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. TAFT. I do not quite understand the Senator's argument that his bill does not overlap others, because its terms seem exceedingly broad. It authorizes the Secretary "to undertake engineering or technological research on industrial, commercial or related problems of an important general nature, including the development of such inventions, products, and processes as may be qualified for future utilization."

That is almost broad enough to include every basic research. Certainly it is broad enough to include intermediate basic research. Then it authorizes him "to initiate and sponsor engineering or technological research or development, to be carried on by public departments and agencies or by private profit or non-profit institutions and persons, by entering into contracts or other arrangements pursuant to which he may finance."

Here we have a proposal for a department to finance research in institutions throughout the United States. Then there is the other bill proposing to finance research on some other subject. Then, there is the Navy bill, and the Army bill, perhaps, to finance military and naval research.

It seems to me the subject is broad, and if we are to have the Government finance research throughout the United States, one agency should do it, and we should decide what that agency should be. I do not believe we should approach the problem in a piecemeal way.

Mr. FULBRIGHT. In the hearings in the subcommittee of the Committee on Military Affairs, which I attended last fall, all the scientists who were present, including many who have been appearing before the Special Committee on Atomic Energy, were conscious of the distinction between research in pure science and research in applied science; that is, engineering and the technology of production. They certainly have no trouble in making that distinction, and they think they are entirely different proceedings. We would not expect Mr. Urey or Mr. Oppenheimer to be engaged in investigating how one sets up a plant, or how one develops an invention for use in everyday commercial life.

Mr. BARKLEY. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. BARKLEY. Inasmuch as we are planning to recess until Tuesday, it strikes me it might be well to let the matter go over until that time, and determine what we want to do.

sion, and at a later date I will discuss further with the Congress the need of appropriate legislation.

HARRY S. TRUMAN.

THE WHITE HOUSE, March 1, 1946.

EXTENSION OF REMARKS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix and to include therein a letter with an enclosure containing information which many people, particularly veterans, might consider important, the letter and enclosure having been sent to all Members, I assume, including myself, by Harry B. Mitchell, President of the United States Civil Service Commission.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. CANFIELD asked and was given permission to extend his remarks in the Appendix and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therein a speech by Secretary of State, Hon. James F. Byrnes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of today's RECORD.]

EXTENSION OF REMARKS

Mr. SPENCE asked and was given permission to extend his remarks in the RECORD and include therein a statement made by Henry J. Kaiser before the Committee on Banking and Currency this morning.

AMENDING PUBLIC LAW 30, SEVENTY-NINTH CONGRESS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. MARTIN. Mr. Speaker, reserving the right to object, is this agreeable to the gentleman from Michigan [Mr. Wolcott]?

Mr. SPENCE. I informed the gentleman from Michigan [Mr. Wolcott] at a meeting of the committee this morning that I was going to ask for the appointment of conferees.

Mr. MARTIN. And he has no objection?

Mr. SPENCE. He has no objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky. [After a pause.] The Chair hears none, and appoints the following

conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, WOLCOTT, and CRAWFORD.

EXTENSION OF REMARKS

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include a recent radio address delivered by him.

Mr. D'ALESSANDRO asked and was given permission to extend his remarks in the RECORD and include a statement he made before the Civil Service Committee on increases for white-collar workers.

SPECIAL ORDER GRANTED

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that, after the legislative business and any other special orders today, I may address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

CALL OF THE HOUSE

Mr. SAVAGE. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 38]

Adams	D'Ewart	McGregor
Allen, Ill.	Dworshak	Mathews
Almond	Fisher	Morrow
Baldwin, Md.	Gardner	Mills
Baldwin, N. Y.	Gifford	Neely
Beall	Gossett	O'Hara
Bender	Gwinn, N. Y.	O'Konski
Bennet, N. Y.	Halleck	Peterson, Ga.
Bolton	Harless, Ariz.	Pfeifer
Boren	Harness, Ind.	Powell
Bradley, Mich.	Hart	Randolph
Bradley, Pa.	Hedrick	Reed, N. Y.
Camp	Heffernan	Rivers
Cannon, Fla.	Hinshaw	Robinson, Utah
Cannon, Mo.	Hoch	Robson, Ky.
Case, S. Dak.	Holmes, Mass.	Roe, N. Y.
Celler	Howell	Sasscer
Chapman	Jarman	Schwabe, Mo.
Chipewfield	Jennings	Short
Clark	Johnson, Calif.	Simpson, Pa.
Clason	Keefe	Slaughter
Cole, Kans.	Keogh	Taylor
Corbett	Kerr	Thomas, N. J.
Courtney	Landis	Tibbott
Curley	Lemke	Tolan
Daughton, Va.	Luce	Walter
Dawson	Lyle	Weaver

The SPEAKER. On this roll call 349 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

HOUSING STABILIZATION

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4761) to amend the National Housing Act by adding thereto a new title relating to the prevention of speculation and excessive profits in the sale of housing, and to insure the availability of real estate for housing purposes at fair and reasonable prices, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4761, with Mr. COOPER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Without objection, the Clerk will report the pending committee amendment.

There was no objection.

The Clerk read as follows:

Committee amendment: On page 5, after line 9, insert the following:

"(c) Witnesses subpoenaed under this section shall be paid the same fees and mileage as are paid witnesses in the district courts of the United States.

"(d) The Director shall not publish or disclose any information obtained under this title that he deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information.

"(e) Any person subpoenaed under this section shall have the right to make a record of his testimony and to be represented by counsel."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: On page 5, line 21, after "accommodations", insert "the construction of which is completed after the effective date of this title."

PRICES ON EXISTING HOMES

Mr. PATMAN. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I know it is an unusual situation, and possibly the Members do not understand why I should be in opposition to the committee amendment. The situation is this. We commenced hearings on this bill December 3, 1945. We had hearings for 2 months. The bill covers everything that is in the present Truman-Wyatt program, but not in the way and manner that Mr. Wyatt wants it in the bill. He wants a little change here and there. So when we reported the bill out at noon, I believe, on February 8, it was our understanding that when Mr. Wyatt submitted his program we would try to conform the legislation to fit the Wyatt program. Mr. Wyatt came out in favor of fixing prices on existing homes. We had adopted an amendment, the amendment which we are now considering, which will in effect prevent prices being fixed on existing homes. So when you add the language on page 5, lines 21 and 22 "Whenever in the judgment of the Director the sales prices of housing accommodations, the construction of which is completed after the effective date of this title," that restricts it entirely to new houses built hereafter.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Mr. Chairman, this matter is so important I ask for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. HOFFMAN. Mr. Chairman, reserving the right to object, I want to ask

the gentleman from Texas whether later in the day there is going to be an attempt to shut off debate.

Mr. PATMAN. No such attempt will be made by the gentleman from Texas.

Mr. HOFFMAN. And those acting with you?

Mr. PATMAN. I cannot speak for anyone but myself.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SMITH of Ohio. What is the definition of completed construction?

Mr. PATMAN. A completed construction, I would think obviously, would be a house that is finished after the effective date of this title. I think it presupposes a new house. I do not see how it could refer to anything else. Anyway, that is the interpretation which was placed upon the amendment in the committee hearings and in the committee report. I do not know of any other interpretation that has been placed on it.

This is really one of the major things in Mr. Wyatt's program which he wants and without which he says he cannot do a good job. Remember that. The President of the United States and Mr. Wyatt both say that unless Congress cooperates with them to the extent of giving power to Mr. Wyatt to fix prices on existing homes this program cannot be a success. I refer to the program which Mr. Wyatt has adopted which contemplates the construction of 2,700,000 homes this year and next year and which Mr. Henry J. Kaiser said before our committee this morning was not only possible and probable, but that that number could actually be exceeded. Mr. Kaiser urged us to cooperate with Mr. Wyatt 100 percent, with the assurance from him that if we do so this housing shortage will be over at the end of 1947. So I urge Members of Congress to consider this—that here we have a program formulated and endorsed by the President by which he says we will relieve this housing shortage in 2 years if Congress will do its part. The President says, "I cannot do it by myself. Mr. Wyatt cannot do it because he does not have the power, but if you will give him the power—one, to fix prices on existing homes—then we can get this job done." Let us see how reasonable that is. I would not think of having people go out and attempt to appraise different houses all over the country and say, "John Jones' house is worth so much." In the first place, you would never find enough qualified appraisers to do the job. In the second place, there would be too much regimentation and rules which I do not think the people would stand for. I do not believe they would. We know we must do something about fixing prices on existing homes. You just cannot let matters go without doing something for the obvious reason that that is what caused inflation after the other war. We know that. We can study the past. We can look back 25 years, and we can find a case on all fours with the case that

is facing us today, where a house would be sold one week for, say, \$5,000; the next week a speculator would go to the man who bought it and say, "I can make you a thousand dollars on this house." "All right." Next he would go to the fellow who bought it and say, "I can make you a thousand dollars." "All right. Sell it." They kept on pyramiding price on price and profit on profit until the prices went out the roof. We do not want that to happen this time.

We studied for weeks and months on some pricing formula that would not go into so much detail, that would not put the home owner in a strait jacket, that would not cause regimentation, but yet would stop the speculator from doing what he did after World War I. So this is the formula that we finally agreed upon. You cannot find any formula that is exact justice. It is not perfect. Mr. Wyatt said he did not like it, but it is the best thing we have been able to find, and therefore he is for it. No one claims it is exact justice, by any means. It is not even equal justice in some cases. We know that, but we want something that will stop this pyramiding of prices and inflation on homes like we had after the other war.

So what is the formula? It is as simple as can be. If this bill were passed today, any of the owners of the 29,000,000 homes in America—and there are 29,000,000 of them—would not be restricted in any way on earth from selling their property. Any one of them could go out tomorrow or a year from now, without having to consult any Government agency, without having to make any report to anybody, without having to say a word to anybody on earth except the man who bought the property. Just give him a deed to it. For how much? Any price he can get. Any price he wants to take. Nobody fixes the price. Nobody is consulted by the owner. He does it himself. Nobody has anything on earth to do with it. He can sell it for twice as much as it is worth if he can get it, and nobody can complain. The Government does not complain. Then, when he sells it he makes no report to anybody. He has the money in his pocket or in the bank, and he is never questioned about it. Let us get that down as No. 1. Can anyone object to that from the standpoint of the home owners? No. They cannot do it, because the home owner can get any price he can get.

Now, here is where the catch comes in on stopping inflation. After it is sold for that price, \$10,000, when it is worth perhaps only \$5,000, that price is fixed as the price during this emergency, which is to expire at the end of June next year under this bill. That will stop the speculator. The home owner cannot complain. He has got what he wants. But the man who is expecting to use that house for speculation can complain, because it knocks him out of the profits he got after the First World War. But I think we can afford to stop that speculator in the public interest, in order to have stabilization of housing.

Now, I am not accusing everybody of being a speculator who is against me on this. I am sure people are just as con-

scientious as I am. We are all working for what we believe is right. But at the same time that speculator is the only man that is stopped. Then, the man who buys this house buys it for a home. He is not going to sell it during the emergency, but if he does he cannot get any more than he paid, plus any additions or improvements.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, may I ask for two additional minutes?

The CHAIRMAN. Is there objection?

Mr. COOLEY. Mr. Chairman, reserving the right to object.

Mr. PATMAN. I will yield to the gentleman right now, if he will let me have 2 minutes?

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it a fact that your committee is still conducting hearings on this bill?

Mr. PATMAN. No. We are conducting hearings on the OPA.

For the information of the gentleman, a large part of the opposition to this bill is against the OPA.

Mr. COOLEY. Why is it that your committee did not confer with Mr. Wyatt and ascertain his program before you brought legislation before the House?

Mr. PATMAN. We did confer with him, but he did not have the program approved by the President of the United States and he did not want to release it.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. MAY. I wish to ask the good lawyer from Texas this question, Does he think the Congress has power to say for what price John Jones shall sell the house he owns now?

Mr. PATMAN. We are not telling John Jones what he can sell his house for. We are letting John Jones sell his house for any price he wants, any price he can get. John Jones reports to nobody, consults with nobody. So John Jones is not hurt in any way.

Mr. MAY. But the gentleman did say if he sold a \$5,000 house for \$10,000, that established the ceiling.

Mr. PATMAN. It does. Remember, we are in an emergency, and in the public interest we have fixed prices. We fixed wages, we fixed pensions, we fixed retirement, we fixed the soldiers' mustering-out pay based upon a dollar worth so much. We want to keep that dollar worth that much.

I now yield to the gentleman from Missouri.

Mr. PLOESER. I listened very carefully to the gentleman from Texas. From what he said I never in my life heard a better example of legislation designated to force inflation.

Mr. PATMAN. The gentleman is mistaken about that. We had inflation after the other war, because speculators got hold of the market. This way they cannot get hold of the market, they are estopped.

OFFICE OF BUDGET AND FINANCE
Legislative Reports and Service Section

79th-2nd, No. 46

DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 18, 1946, for actions of Friday, March 15, 1946)

(For staff of the Department only)

CONTENTS

Appropriations.....3	Labor standards.....2	Research.....8
Buildings & grounds.....8	Legislative program.....8	Rubber.....7
Economy.....4	Lobbying.....10	Rural rehabilitation.....8
Farm credit.....8	Minerals.....14	Soil conservation.....8
Feed shortage.....12	Minimum wage.....2	Subsidies.....1
Foreign relations.....13	Price control.....11	Tobacco.....2
Forestry.....2	Property, surplus.....8, 13	Transportation.....9
Grain.....12	Relief, foreign.....15	War powers.....5

HIGHLIGHTS: Senate agreed to, and House received, conference report on measure to continue certain subsidies on farm products. Senate debated minimum-wage bill. Senate committee reported second urgent deficiency appropriation bill. House passed bill extending most of Second War Powers Act until Mar. 31, 1947. Majority leader McCormack announced that Flannagan agricultural credit agency bill would be taken up Tues. and Cooley farm-credit bill Thurs. and Fri.

SENATE

1. SUBSIDIES. Agreed to the conference report on H. J. Res. 301, to continue certain subsidies on agricultural commodities (p. 2343). The House received the report (pp. 2366-7). (For provisions of the measure, see Digest 32.) The conferees agreed to the Senate amendments.

2. LABOR STANDARDS. Continued debate on S. 1349, to amend the Fair Labor Standards Act (pp. 2345-61).

Sen. Hoey, N. C., stated that tobacco industries have not had enough relief from taxes, price control, wage control, etc., and Sen. Aiken, Vt., and others discussed this with him (pp. 2352-3).

Sen. Aiken, Vt., and others discussed whether food processors, etc., should be included under the Act (pp. 2354-8).

The bill raises the minimum wage to 65 cents an hour during the first 2 years, 70 cents in the third and fourth years, and 75 cents thereafter; extends the Act to employees engaged in any activity affecting interstate or foreign commerce* (chiefly involved are employees of large chain and large independent stores, but small retail stores would still be exempt); includes industries processing agricultural or horticultural commodities or fish under the minimum-wage and overtime provisions, but such of these industries as have marked annually recurring seasonal peaks are made eligible for a single overtime exemption in place of the present system; directly prohibits the employment of oppressive child labor by those engaged in commerce, the production of goods for commerce, or any other activity affecting commerce; and modifies the provisions for employee suits.

3. DEFICIENCY APPROPRIATIONS. The Appropriations Committee reported with amendments

H. R. 5671, the second urgent deficiency appropriation bill, which includes funds for fighting forest fires and E&PQ personnel costs (S.Rept.1066)(p. 2343).

4. ECONOMY. Received a resolution from several local taxpayers' associations favoring economy in Government expenditures (pp. 2342-3).
5. RECESSED until Tues., Mar. 19 (p. 2363).

HOUSE

6. WAR POWERS. Passed with amendment H. R. 5716, to extend until March 31, 1947 the provisions of the Second War Powers Act (pp. 2370-85).
7. RUBBER. Received from the Director, War Mobilization and Reconversion, the first report of the Interagency Policy Committee on Rubber. To Agriculture Committee. (p. 2388.)
8. LEGISLATIVE PROGRAM. Majority Leader McCormack announced the legislative program for this week as follows: Mon., consent calendar and H. R. 5407, to grant EWA certain powers regarding buildings and grounds; Tues., H. R. 4873, to create an Agricultural Credit Agency; Wed., H. R. 2115, to transfer the fur-bearing animal research activities to this Department; and Thurs. and Fri., H. R. 2501, to slow up the liquidation of rural rehabilitation projects and H. R. 2239, the Cooley farm credit bill (p. 2386). Speaker Rayburn announced that on Monday he would recognize Rep. Poage, Tex., on a motion to suspend the rules and consider H. R. 538, to authorize the Secretary to requisition suitable surplus material and equipment for soil-and-water-conservation work (p. 2386).

BILLS INTRODUCED

9. TRANSPORTATION. S. 1950, by Sen. Vandenberg, Mich., to repeal the law permitting vessels of Canadian registry to transport iron ore between U. S. ports on the Great Lakes. To Commerce Committee. (p. 2343)
10. LOBBYING. H. R. 5787, by Rep. Smith, Va., to require the registration of persons engaged in lobbying and to require an accounting of contributions received for the purpose of influencing legislation. To Judiciary Committee. (p. 2388.)

ITEMS IN APPENDIX

1. PRICE CONTROL. Rep. Rogers, Mass., inserted a Veterans of Foreign Wars statement claiming that a workable production program is the only effective method of price control. (pp. A1477-8).
Rep. Gordon, Ill., inserted Ill. League of Women Voters and Chicago Sun articles favoring the extension of price and rent controls (pp. A1486-7).
Extension of remarks of Rep. Mason, Ill., including a Saturday Evening Post editorial criticizing OPA's policies (p. A1496).
Rep. Larcade, Jr., La., inserted a Washington Evening Star article claiming that price control is "unworkable" (pp. A1496-7).
2. FEED SHORTAGE. Extension of remarks of Rep. Patterson, Calif., stating that he had appealed to this Department to remedy to grain and feed shortage in Calif. (p. A1483).

west section of the State of Wisconsin. This conference was held in La Crosse on March 6. It indicates how concerned the people are in relation to the important subject of the Federal Government doing everything within its power to bring about a balanced budget.

The strike situation which we have been facing of late does not make for economic or moral solvency of this great Nation.

There being no objection, the resolution was received, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas the proposed budget for the Federal Government for the fiscal year ending June 30, 1947, totals more than \$35,000,000,000; and

Whereas this total is nearly \$4,000,000,000 in excess of anticipated revenues for the fiscal year; and

Whereas this budget presents the first opportunity in 16 years for balancing revenues and expenditures; and

Whereas the taxpayers of the Nation cannot afford to have the Government spend more money than it takes in and are not in a position to continue paying for war agencies which should be discontinued or to support war agencies of no use to civil functions, while expenses for civil functions would be increased; and

Whereas this is not the time for launching the most gigantic Government public works program in history, in competition with urgent private projects, or for maintaining expenses for general government at a level 100 percent higher than that of 1939: Now, therefore, be it

Resolved, That Congress be urged to scrutinize all spending proposals to which the Government is not already committed and to cut proposed expenditures by an amount at least sufficient to permit balancing the budget; be it also

Resolved, That copies of this resolution be sent to Wisconsin Congressmen.

A. G. Benjamin, Nelson, Wis.; T. E. Lewis, Mauston, Wis.; C. A. Jones, Mauston, Wis.; A. E. Wackney, Tomah, Wis.; John G. Beck, Benton, Wis.; George L. Cook, Linden, Wis.; John Honel, Tomah, Wis.; Robert J. Edge, Platteville, Wis.; Silas F. Wallen, Taylor, Wis.; E. J. Norman, Richland Center, Wis.; Earl Prane, Arkansaw, Wis.; C. B. Allerby, Whitehall, Wis.; John A. Thompson, Hixton, Wis.; A. O. Torson, Independence, Wis.; C. L. Behnken, Mauston, Wis.; W. J. Hood, La Crosse, Wis.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. McKELLAR, from the Committee on Appropriations:

H. R. 5671. A bill making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1946, and for other purposes with amendments (Rept. No. 1066).

ABSENTEE VOTING BY MEMBERS OF THE ARMED FORCES—REPORT OF COMMITTEE ON PRIVILEGES AND ELECTIONS

Mr. GREEN. Mr. President, from the Committee on Privileges and Elections, I ask unanimous consent to report favorably the bill (S. 1876) to facilitate voting by members of the armed forces and certain others absent from the place of their residence, and to amend Public Law 712, Seventy-seventh Congress, as amended, and I submit a report (No. 1065) thereon.

I am glad to state that the bill is reported unanimously, with certain amendments.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. VANDENBERG:

S. 1950. A bill to repeal the law permitting vessels of Canadian registry to transport iron ore between United States ports on the Great Lakes; to the Committee on Commerce.

By Mr. WHEELER:

S. 1951. A bill authorizing the Secretary of the Interior to convey certain lands in the State of Montana to Norman Nedrud; and

S. 1952. A bill authorizing the issuance of a patent in fee to Sampson Birdinground; to the Committee on Indian Affairs.

By Mr. EASTLAND (for himself and Mr. WHEAT):

S. 1953. A bill to amend the Espionage Act of June 15, 1917, as amended; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 1954. A bill to authorize the construction of an electrochemical laboratory in the Pacific Northwest; to the Committee on Mines and Mining.

By Mr. BILBO:

S. 1955. A bill to authorize the Commissioners of the District of Columbia to provide necessary utilities for veterans' housing furnished and erected by the National Housing Administrator; to the Committee on the District of Columbia.

MODIFICATION IN THE AUTHORIZATION FOR CERTAIN SUBSIDIES—CONFERENCE REPORT

Mr. BARKLEY. Mr. President, I present a conference report on House Joint Resolution 301 and ask for its present consideration.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses, as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2; and agree to the same.

ALBEN W. BARKLEY,
SHERIDAN DOWNEY,
ABE MURDOCK,
ROBERT A. TAFT,

Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

The PRESIDENT pro tempore. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. BARKLEY. Mr. President, the conference report is on the House joint resolution which we had before the Senate a week or 10 days ago to which the Senate added an additional allocation to

the previous authorizations for meat subsidies of \$125,000,000, and for flour of \$25,000,000, and so on. The House agreed to the Senate amendments in toto.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

IMPORTANCE OF CONTINUOUS SESSIONS OF THE SECURITY COUNCIL

Mr. VANDENBERG. Mr. President, supplementing my previous discussion of the United Nations I want to add one brief postscript as a result of current events.

I think it is unfortunate that the Security Council of the United Nations is not in continuous session during such times as these. That is my conception of its function under the Charter which requires in article 28 that it "shall be so organized as to be able to function continuously." It is true that this language does not literally require continuity of meetings at all times—particularly since the same article in the Charter says that these meetings shall be "periodic". But in the larger sense of the word, and in the full meaning of article 24 which charges the Security Council with responsibility for "prompt and effective action," I think the Security Council most certainly should be sitting every day of every week when the world is as restless as it is at the present moment.

I hasten to say I am not speaking critically. I am not complaining. I am not attempting to inject any viewpoint into the current problems of our own State Department. The Security Council is not yet 2 months old. It could scarcely have been expected to settle into a regular schedule so soon. I am simply posing an academic observation, on the basis of current events, for future consideration.

I feel very deeply that the Security Council's greatest advantage and its greatest potential for peace is in constant continuity of contacts—day by day, and even hour by hour—when trouble is afoot. I think it is infinitely less probable that little frictions will grow into big ones if the members of the Security Council, particularly including the five great powers, are facing each other eye to eye each morning. Thus the Security Council would consider the world's problems as a matter of routine and it would not emphasize the psychology of crisis by assembling after the elements of crisis had crystallized. It would be a "fire department" instead of a "salvage squad."

In the absence of such intimate contacts, we are thrown back into the old and tedious mode of "writing notes" from capital to capital during these current hair-trigger days. There is a better and a more hopeful way. It is the way envisioned by my conception of the Security Council of the United Nations as an institution which is open for business every day in every year. I dare to hope that the time will come when the Security Council operates upon such a schedule. It will be encouraging to the hopes of men for peace.

Mr. THOMAS of Utah. Mr. President, before I begin my remarks on the pend-

ing bill I should like to associate myself with the views expressed by the Senator from Michigan [Mr. VANDENBERG]. The United Nations Organization is established, and, as I understand has, or will soon have, a permanent Secretariat. The Security Council is an extremely essential instrumentality of the United Nations, and I agree with the Senator from Michigan that it should be constantly in session.

I should like to add to what the Senator from Michigan has said, that world government under the United Nations as a road to peace can be effective only if the institutions which function under it remain active and alert and constantly strive for the goal of peace.

Mr. President, at this time probably more than at any other time in our history, when new instrumentalities for peace are being set in motion we should reflect on the past and think of the changes which have occurred. If there was ever a time when American citizens should be historically minded and not hysterically minded this is the time. A reading of the headlines in the newspapers from day to day discloses a striking similarity with conditions prevailing in wartimes. All the hate, all the envy that once were turned against one nation or its representatives are turned at another time against other nations or their representatives. The lack of appreciation of things as they are is so evident that one should be forgiven for calling attention to that fact.

Lately, for one reason or another, attack upon attack has been made against the former Prime Minister of Great Britain. Constantly there is a running attack upon one of our greatest allies, Russia. Mr. President, I suggest that we study the history of the past hundred years and review what have been the aims and aspirations of the great Russian Nation, or the Nation of the Russias, as it used to be called, and note that that nation, like our Nation, has lived within a cycle of destiny, has lived in accordance with a plan, which has back of it as an ultimate end the desire for existence.

Some of the things which that great nation is fighting for today are exactly the same things it fought for in the fifties of the last century. It was frustrated, it was stopped, it did not attain its objectives. That nation has constantly attempted to achieve other things by what it called peaceful penetration, by assuming spheres of interest, by making peaceful conquests, and by means of treaties.

Then came two mighty wars. Each of those wars set Russia back in the attainment of what it thought was its proper aims. These aims are simple ones, Mr. President. A great inland nation, bordering on no waters, will constantly have one aim, if I have any knowledge of the philosophy of history. It wants an all-year-round outlet to the Atlantic, to the Mediterranean, to the Indian Ocean, and to the Pacific Ocean. That is a national striving consistent with that of all other nations. In these things it has been stopped, because

Russia, whether czarist or Bolshevik, whether Communist or revolutionary, has maintained the same foreign policy and has held to the same aims, and in addition to that, under each of those types of government the Russian people have been kept from attaining their objective by defeats in various wars, and by various types of action against them.

Now, Mr. President, for the first time in over a hundred years a nation stands victorious with a chance to attain some of its at least hundred-year-old objectives. Should we not take that into consideration when we pass judgment? Should we not understand these things when we speak on such subjects? When we speak let us do so in accordance with that background and with that understanding. If we do, then I am sure that great difficulties will not be created, and there will not be rumors of wars in the newspapers, and people will not be constantly discussing such rumors.

RELATIONS WITH RUSSIA

Mr. CAPPER. Mr. President, I received a very interesting letter from Rev. and Mrs. W. S. Baker, well-known citizens of Wichita, Kans., who call my attention to an editorial printed by the Wichita Beacon suggesting that Joseph E. Davies, former Ambassador to Russia, would be the right man to bring about a friendly understanding between Russia and the United States. I think the suggestion is well worth serious consideration.

I ask unanimous consent that the editorial from the Wichita Beacon and the letter from Rev. and Mrs. W. S. Baker be printed in the RECORD.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

WICHITA, KANS., March 9, 1946.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: I am enclosing an editorial taken from the Wichita Beacon of March 8, which contains a very fine suggestion for dealing with the trouble between Russia and the United States. It would be deplorable if serious trouble should arise at this time between the United States and Russia.

Cannot someone be sent to Russia to bring about a solution of the difficulties?

I am writing for both Mr. Baker and myself. Mr. Baker is a brother of the late H. L. Baker of La Crosse, Kans., who was for many years chairman of the Republican Committee of Rush County, Kans., and a staunch friend of yours.

I trust I am not bothering you too much. Thank you.

Very sincerely,

Rev. and Mrs. W. S. BAKER.

SHOULD SEND PEACEMAKER TO RUSSIA

The situation in Iran, where the Russians refuse to withdraw their troops, threatens to afford the first case for consideration by the World Security Council of the United Nations Organization. Again the peace of the world is facing a serious threat. The Iranians are seeking peaceful relations with their powerful Soviet neighbor. But no progress is being made toward solutions of this dangerous matter.

This is not the first time the Russians have balked and failed to unite wholeheartedly in the establishment of world peace. As in pre-

vious instances, there probably is a way to cure this new trouble and menace to peace efforts and unity among the United Nations.

Once before, when it seemed that a break with Russia could not be avoided and the matter had the appearance of hopelessness, a solution was found without difficulty. The late President Roosevelt sent Harry Hopkins to Moscow as a pacifier. His efforts were attended by complete success. The Russian leaders had confidence in Hopkins. They believed in him and trusted him.

The result of the Hopkins visit was that a break with the Soviets was avoided. A similar move by President Truman, at this time, probably would have just as valuable results as did the Hopkins visit.

The right person, if sent to Russia by President Truman, might be able to bring the Russians to an understanding and agreement with the other world powers. If so it would clear up a situation that threatens to nullify everything that has been accomplished by the United Nations up to this time.

Probably there is in the United States no one more able to accomplish such a mission of peace to Russia than our former Ambassador to Moscow, Joseph Davies. He understands the Russians. They have the utmost confidence in him. He was a most successful representative of this country in Russia during the period of his ambassadorship.

While in Russia Ambassador Davies was greatly helpful to the Soviets in many ways. He made friends there and still has friends there. He assisted the Russians at a time when they were in dire need of help. There is no reason to believe that they have forgotten this assistance or have become ungrateful.

Davies probably could sell the Russians on the idea that they should remain loyal members of the United Nations Organization. If so, the irritating situation could be cleared quickly and finally.

If Davies is not the person to clarify the Russian-Iranian trouble, then certainly there is someone in the United States who could do the job. It is important and urgent.

We have failed to view the Russian threat in this light. It is time we were doing so. There is great danger in any situation that might plunge the world into another war.

AWARD OF LEGION OF MERIT TO CAPT. JOHN S. DELANO, UNITED STATES COAST GUARD RESERVE

Mr. RADCLIFFE. Mr. President, one of the most interesting and highly significant developments of our war program was the remarkable manner in which many organizations and persons trained to do highly specialized work were able successfully to place their services at the disposal of the United States Government. Often these became incorporated bodily into some branch of the armed forces where their technical knowledge and efficiency were invaluable factors in the success of our war effort.

I have in mind one such organization and its leader in illustration of the point which I have just made. I have reference to the American Pilot's Association and its very able president, Capt. John S. Delano.

The association, in war as in peace, demonstrated its high efficiency under its president, Captain Delano. The splendid record which he made as a part of our armed forces is brought out in the letter to Captain Delano from Rear Adm. L. T. Chalker, Acting Commandant of the United States Coast Guard, on November 30, 1945, which reads as follows in

with Russia when it was more important to have an Ambassador from this country in Moscow. Diplomatic relationship and the ascertainment of facts from this level have not been available to our country for want of an Ambassador since the resignation of ex-Ambassador Harriman several weeks ago. The delicate situation it seems to me demands immediate ambassadorial representation.

It furthermore is true that Ambassador Gromyko, Russia's Ambassador to the United States, has not been in this country for some time which furthermore is regrettable.

No man in this country enjoys the respect and admiration of Russia as Gen. Dwight W. Eisenhower as demonstrated on several occasions particularly during his visit to Moscow last summer at which time he was awarded the Order of Victory and the Order of Suzorov, First Degree, by Russia. In my humble opinion General Eisenhower should be sitting near the front of the table in all negotiations with Russia.

EXTENSION OF REMARKS

Mr. BENNET of New York asked and was given permission to extend his remarks in the RECORD and include a resolution.

Mr. PLOESER asked and was given permission to extend his remarks in the RECORD and include an address he made in Missouri recently and also to include a letter addressed by a St. Louis law firm to Hon. Chester Bowles.

Mr. CORBETT asked and was given permission to extend his remarks in the RECORD.

Mr. WIGGLESWORTH asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. ELSTON asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Frank C. Waldrop appearing in the Washington Times-Herald today.

Mr. DIRKSEN asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. GORDON asked and was given permission to extend his remarks in the RECORD and include a letter from the Illinois League of Women Voters and also an article appearing in the Chicago Sun of March 12.

Mr. KING asked and was given permission to extend his remarks in the RECORD and include an editorial appearing in the Washington Post on strategic minerals.

Mr. LYNDON B. JOHNSON asked and was given permission to extend his remarks in the RECORD and include a radio address.

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD on three subjects and include certain statements and excerpts.

PERMISSION TO ADDRESS THE HOUSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

THE UNRRA CONFERENCE

Mr. MILLER of Nebraska. Mr. Speaker, I agree with the gentlewoman from Ohio [Mrs. BOLTON] that we ought to save food to help the starving all over the world. The Members of the House will be interested in a news item appearing in the New York Sun of March 7 in which it is reported that the delegates to the UNRRA convention now in session at the fashionable Traymore Hotel, Atlantic City, are paying \$16.50 a day for board and room. I have a dozen places out in my district in Nebraska where these 500 delegates to the UNRRA convention could be taken care of for three or four dollars a day. The United States puts up 72 percent of the funds for this Organization. Is it not time that these delegates set a good example and save money in order to buy more food for the needy?

The SPEAKER. The time of the gentleman from Nebraska has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE VETERANS AND THE FEDERAL INCOME TAX

Mr. EDWIN ARTHUR HALL. Mr. Speaker, since today is the deadline for the payment of Federal income taxes, I want to read a letter which I have received from a veteran friend of mine, as follows:

DEAR ED: Isn't the time proper to consider forgiving Federal income tax levied on military income while in service? Is the monetary return worth the administrative expense, ill will for the Government (who we are told is a grateful one) and the Military Establishment?

Many have not kept current on payments, being relieved under the Soldiers' and Sailors' Civil Relief Act; many have just let them go until later, probably have spent as they went, and will have to go in hock to settle.

The average veteran comes home to house and home worries, if he has one. If he had to sell it, he's in worse luck. If he rented, he waits. His clothes, if the moths have left any, don't fit. The job-priority thing is beautiful in theory, but in practice it is far from a working plan—it's a hopeful gesture. He did the work while you were in the Army; we can't fire him as his reward for keeping the business going when we were short-handed, is not a line from a stage play. So the tax thing just rubs more salt in a slow-healing wound.

It seems as if the better way to avoid March 15 being a day of ignominy for veterans would be to forgive tax on all military income not already paid, and let that already paid be carried as a tax credit against which future tax obligations could be charged.

Let me hear from you. I admire your guts on the grain situation.

As ever.

PERMISSION TO ADDRESS THE HOUSE

Miss SUMNER of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

WHAT IS DRIVING THE AMERICAN PEOPLE CRAZY?

Miss SUMNER of Illinois. Mr. Speaker, the House will further consider today a bill the purpose of which is to engage in research in order to find out what is driving the American people crazy.

If you really want to find out what is driving the American people crazy, I suggest that you come over to where we are having hearings on OPA, where citizens from all over the United States are testifying how OPA has driven all the necessities off the counters, driving the factories out of production, and the men out of employment.

I suggest also you go over to your newspapers and observe the effect of the schizophrenic New Deal foreign policy, for which this Congress habitually votes.

The SPEAKER. The time of the gentlewoman from Illinois has expired.

Mr. HEBERT. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

THE SIZE OF THE UNITED STATES NAVY

Mr. HEBERT. Mr. Speaker, several months ago this House with almost an unanimous vote passed a bill setting the size of the postwar American Navy. I am sure each one of you were shocked to read in the morning paper that a bureau, without even giving the courtesy to the Secretary of the Navy to be heard, automatically and arbitrarily decided how large our Navy is going to be. The Bureau of the Budget, contrary to the expressed wish of this House, that our Navy will be destroyed by a stroke of the pen.

Are we so lacking in courage or so supine that we are going to allow the red blood of our heroes who died on foreign shores to be washed out by the black ink of bureaucrats who stayed at home? I think it is about time that instead of giving lip service to the veterans of this country in the well of the House we dedicate ourselves to doing something for them and to assuring them that they will have the same kind of country when they return as when they left.

There is no better place to start guaranteeing them the kind of country when they return as when they left than by guaranteeing them an adequate navy, an adequate army, an adequate air force to protect for Americans everything that is American. And there is no better time than right now to let the Bureau of the Budget or any other bureau that when this House speaks it speaks for the American people, and means what it says.

The SPEAKER. The time of the gentleman from Louisiana has expired.

CORRECTION OF ROLL CALL

Mr. HOWELL. Mr. Speaker, on roll call No. 45 of Thursday, March 7, I am recorded among those absent. I was present and responded when my name was called. I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, on roll call No. 45 of Thursday, March 7, I am also recorded as being absent. I was present and answered to my name. I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

BRITISH LOAN VERSUS VETERANS

Mr. RICH. Mr. Speaker, I would like to call the attention of the gentleman from Louisiana, who spoke a minute ago, to the fact that if he wants to do something for the veterans, he should consider giving them the \$4,400,000,000 that you are talking about loaning or giving to Great Britain. If you turn it over to the veterans of this country, you will be doing something for them. But when you turn this money over to Great Britain, taking it away from this country to aid and assist the people of some foreign country to the detriment of the taxpayers of this Nation and of the veterans of this Nation, then I think you ought to consider that very carefully. Great Britain will not pay it back, according to their past record. Our national debt should not be increased. Our taxpayers cannot pay any more taxes. It does not make sense in any way to grant the loan. It would be some sense to it if given to World War veterans if they demand it and if it can be paid. If Britain wants money, let them sell Bermuda and their islands in the West Indies close to our shores, that we can use to protect our shores.

PERMISSION TO ADDRESS THE HOUSE

Mr. GROSS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE VETERANS' HOUSING MARCH

Mr. GROSS. Mr. Speaker, according to the newspapers last night and this

morning, young Frankie Roosevelt wants to lead the veterans on to Washington in order to get houses. That is his privilege. But that will not make houses. It takes material and until the Government releases it and encourages builders we will have no houses for soldiers or anyone else. But I will bet a dollar against a doughnut that when they get here, Frankie will live in the Mayflower while the veterans will sleep in the parks.

CALL OF THE HOUSE

Mr. KILBURN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 57]

Adams	Gathings	Peterson, Ga.
Baldwin, Md.	Gerlach	Pfeifer
Baldwin, N. Y.	Gibson	Philbin
Barrett, Pa.	Goodwin	Price, Fla.
Bates, Mass.	Granahan	Quinn, N. Y.
Bender	Gregory	Rabin
Bloom	Hall	Rains
Brumbaugh	Leonard W.	Rayfiel
Buckley	Hand	Rees, Kans.
Bulwinkle	Hare	Rizley
Byrhe, N. Y.	Heffernan	Robertson,
Camp	Hess	N. Dak.
Celler	Hoch	Roe, N. Y.
Chapman	Holmes, Mass.	Rowan
Chelf	Judd	Ryter
Clippinger	Kefauver	Schwabe, Mo.
Cole, N. Y.	Kelley, Pa.	Sheridan
Combs	Keogh	Short
Cooley	Kinzer	Slaughter
Crawford	Kirwan	Sparkman
Curley	Klein	Taber
Daughton, Va.	LaFollette	Talbot
Dawson	Lane	Taylor
De Lacy	Latham	Thomas, N. J.
Durham	Lesinski	Torrens
Ellis	Luce	Traynor
Elsaesser	McGlinchey	Wadsworth
Fisher	McKenzie	White
Flannagan	Murray, Wis.	Wilson
Fogarty	Neely	Wolfenden, Pa.
Folger	Norton	Wood
Fuller	O'Toole	Woodhouse
Gardner	Patrick	

The SPEAKER. On this roll call 333 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

AMENDING PUBLIC LAW 30 OF THE SEVENTY-NINTH CONGRESS

Mr. SPENCE submitted the following conference report and statement on the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

ALBEN W. BARKLEY,
SHERIDAN DOWNEY,
AEE MURDOCK,
ROBERT A. TAFT,

Managers of the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The effect of clause (a) of the joint resolution as it passed the House was to permit the funds authorized for the 1945 crop program operations of the Commodity Credit Corporation to be used with respect to any of the 1946 crop program operations of such Corporation. The Senate amendment limits the provision relating to 1946 crop program operations so that such provision will apply only with respect to operations relating to sugar, vegetables processed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946. Under this amendment no payments or purchases with respect to vegetables or flaxseed can be made after June 30, 1946, unless such vegetables are processed, or such flaxseed harvested prior to July 1, 1946. The House recedes on this amendment.

Amendment No. 2: This amendment increases the amount of Reconstruction Finance Corporation funds which may be used for continuing the meat-subsidy program and the flour-subsidy program through June 30, 1946. Public Law 88, Seventy-ninth Congress, approved June 23, 1945 (59 Stat. 260), imposed certain limitations with respect to the amount of funds of the Reconstruction Finance Corporation that might be used for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946. The over-all limitation imposed was \$1,500,000,000, of which \$595,000,000 was allocated for meat and \$190,000,000 for flour; \$36,000,000 of the original limitation for meat was transferred to Commodity Credit Corporation by the Secretary of Agriculture pursuant to Public Law 164, Seventy-ninth Congress, approved July 31, 1945, thus reducing the amount available to the Reconstruction Finance Corporation for meat-subsidy payments to \$559,000,000. Under this Senate amendment to this joint resolution, the allocation for meat will be increased by \$125,000,000 and the allocation for flour will be increased by \$25,000,000.

The additional allocation of \$125,000,000 for meat will be required to continue the present meat-subsidy program through June 30, 1946. These payments have been running at the rate of approximately \$60,000,000 per month. Moreover, while the Office of Price Administration, with the approval of the Director of Economic Stabilization, has increased the ceiling price for meat, effective March 11, 1946, to cover the increase in wages recently authorized in the meat-packing industry, a temporary increase in the meat-subsidy payments will be made to "bridge the gap" between the effective date of the wage increase (which in some cases

will be retroactive to January 26) and March 11, 1946, a period of less than 60 days. The increase of \$25,000,000 recommended in the original allocation of \$190,000,000 for subsidy payments on flour will be required to continue the flour-subsidy program through June 30, 1946. These payments have been running at the rate of about \$18,000,000 per month.

Because of the discontinuance or curtailment of certain subsidy programs authorized by the act of June 23, 1945, the increased amounts approved for meat and flour will not result in any increase in the over-all limitation of \$1,500,000,000 provided by that act for subsidy payments and anticipated losses by the Reconstruction Finance Corporation for the fiscal year ending June 30, 1946.

The House recesses.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMELE,

Managers on the Part of the House.

EXTENSION OF REMARKS

Mr. DINGELL. Mr. Speaker, on yesterday I secured permission to insert in the RECORD a speech of the Honorable Paul McNutt, an eloquent plea which he delivered before the National Press Club on behalf of the Philippine Islands and its people, an address which I commend to the attention of every Member of the House. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$160, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

EXTENSION OF REMARKS

Mr. WEICHEL asked and was given permission to extend his remarks in the RECORD and include a letter.

PERSONAL PRIVILEGE, ANSWER, ATTACK, ON COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. RANKIN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state the grounds.

Mr. RANKIN. Mr. Speaker, on day before yesterday, March 13, there appeared in the New York Times, a paper I think all will agree is one of general circulation, a Communist advertisement, a whole page advertisement, making a vicious, personal attack on me as well as on the distinguished gentleman from Georgia [Mr. Wood] and the entire House Committee on Un-American Activities.

I have submitted this article to the Speaker, but if it is desired I will read some of the charges.

The SPEAKER. The Chair would prefer that the gentleman do that.

Mr. RANKIN. Mr. Speaker, this article is headed "You cannot talk. It is un-American."

Let me say at the outset, Mr. Speaker, I regret very much to have to raise this issue at the present time for I realize that the world is rather tense as a result of some of the very things I propose

to discuss. America is tense, also, as a result of the spy-ring publicity.

The SPEAKER. The Chair would like to have the gentleman state the grounds upon which he claims a question of personal privilege.

Mr. RANKIN. Mr. Speaker, under the circumstances I regret to have to bring this proposition to the attention of the House at this time, but these attacks are serious and continuous, and it seems that the time has come when somebody is going to have to answer them in no uncertain terms. I propose to perform that duty today, and in the future, as occasions arise.

This page advertisement, which probably cost thousands of dollars, has half a page of cartoons or pictures. I believe there are seven pictures or cartoons on it. The first one is of people with bandages around their mouths and it says under it, "Radio commentators can't talk," and then goes on to give the reasons, and winds up by saying "it's called un-American." I will show as I go along, that is a jibe at the Committee on Un-American Activities.

The next picture shows some people sitting around what appears to be a motion picture machine, and it says under it that "this machine talks American. It may have to stop. You know why? It's called un-American."

That is also directed at the Committee on Un-American Activities, because some of our investigators have been on the trail of certain subversive elements that are using the motion picture business, not for what it is supposed to be used for, but to undermine and destroy confidence in this country.

The next picture has this under it, "the Joint Anti-Fascist Refugee Committee." That is the one that has been wanting us to break with Spain; the administration answered them in no uncertain terms 3 days ago. It is pretended that this is merely a philanthropic organization. But it says, "Now this help may be stopped. You know why? It's called un-American," intimating that a committee of Congress calls it un-American to do "charitable work." We will show why the Committee on Un-American Activities has been called upon to investigate some of these un-American activities and un-American conspiracies. If they are merely charitable organizations why do they object to our investigators or the agents of the FBI seeing their books?

Then it goes on to another one headed "The National Council on American-Soviet Friendship Promotes Understanding," and so forth. It goes on to say that that is called un-American, another jibe at the Committee on Un-American Activities.

"National Committee to Combat Anti-Fascism," is next. It says, "It opposes and takes action when any minority group is affected by acts of discrimination." It says, "Is this un-American?" It did not charge us with saying it was. It threw that in as a question, "Is this un-American?" If that is all they are doing why so much secrecy?

Another one says, "How about you?" showing several people with bandages tied around their mouths. It says, "You

won't talk long. You'll have to stop talking. You know why? It's called un-American"—trying to mislead the American people to believe that a committee of Congress is trying to suppress free speech.

"Who says it's un-American?" this advertisement screams in headlines clear across the paper, and then answers its own question in these words in capital letters: "JOHN RANKIN says so." Then it adds, "He is the Mississippi Congressman elected by less than 8 percent of the people in his district." Then it goes on to quote a vicious attack on me from Collier's magazine and many Communist writers throughout the country.

The SPEAKER. Will the gentleman state the language to which he objects as reflecting upon the gentleman?

Mr. RANKIN. Yes.

The SPEAKER. Then the gentleman can discuss the article.

Mr. RANKIN. Very well, Mr. Speaker.

The SPEAKER. The Chair wants to know the grounds upon which the gentleman claims the floor on a question of personal privilege.

Mr. RANKIN. All right. I will read the whole article.

The SPEAKER. That is not necessary at this time, if the gentleman will pick out the language of which he complains. The Chair thinks there is sufficient there if the gentleman will state it, and not somebody's opinion of the Committee on Un-American Activities.

Mr. RANKIN. "Who says it's un-American?" Then the advertisement answers its own question. It says:

JOHN RANKIN says so! He is the Mississippi Congressman elected by less than 8 percent of the people in his district. Collier's magazine said of him: "The overwhelming majority of the country's conventional newspapers condemn his screaming antisemitism, his roaring against Negroes, his fire alarms against liberals of all degrees * * * the facts are what he says they are, anybody disagreeing with JOHN RANKIN's version is a 'Communist,' 'Jew,' or 'nigger lover,' or maybe all three."

Mr. Speaker, is that sufficient?

The SPEAKER. There is another part there that is stronger even than that.

Mr. RANKIN. All right. It goes on to say:

In the confusion of the first day of the 1945 Congress, RANKIN sneaked over a permanent House Committee on Un-American Activities.

The SPEAKER. The Chair thinks that the gentleman states a question of personal privilege in that the paper charges that he sneaked something over on the House.

The gentleman is recognized.

Mr. RANKIN. What I did, Mr. Speaker, was to propose and to secure the passage of an amendment to the rules creating the Committee on Un-American Activities, in order to try to protect this country at home while our young men were fighting to defend it abroad.

I have no apology for that action. I regard it as one of my greatest contributions to the welfare of my country.

That committee is doing more now to restrain the disloyal elements within our gates than any other one organization in

this Government, with the probable exception of the FBI.

Mr. Speaker, this article winds up by saying:

We don't agree with Mr. RANKIN, and we're talking. Either he's un-American or we are.

I am inclined to agree with that, because I think this article is put out by a group of subversives. They seem to be scared to death for fear we will investigate them.

It goes on to say:

If you agree with us, then it's time for you to talk. Write your Congressman now. Tell him to sign discharge petition 12. The passing of this petition will make possible a congressional vote to abolish the Wood-Rankin committee. Your Congressman is your representative. If you don't want Mr. RANKIN, and you tell your Congressman, he won't want Mr. RANKIN, and he will tell Congress. You can help if you act.

May I ask the Clerk to hand me petition No. 12?

Mr. COCHRAN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. COCHRAN. As I understand the rules of the House, it is not permissible to give out anything contained in a petition on the Clerk's desk until the petition has the required number of signers. Then it automatically is printed in the RECORD with the signatures thereon.

The SPEAKER. It is certainly a violation of the rules to do that.

Mr. RANKIN. I have not given out anything. Do not get excited. I merely asked for the petition. I have a right to look at it, as a Member of the House.

The SPEAKER. The gentleman has the right to look at it but he does not have the right to read any of the names on the petition.

Mr. COCHRAN. That would not be a violation of the rules of the House but to disclose names would be.

Mr. RANKIN. Do not worry. I know the rules. I merely want to look at this petition.

At the bottom of the page they have this:

Citizens United to Abolish the Wood-Rankin Committee. Suite 170, Hotel Astor, B'way and Forty-fifth Street, New York 19, N. Y.

They want you to send this to them there.

I agree with you and want to support your effort. Enclosed find contribution for \$—.

In other words, they are using the mails to defraud, spreading this propaganda against a committee of Congress, and raising money to be used for an illegal purpose.

Mr. Speaker, I am going to answer this over the radio next Wednesday night, the 20th, from 9 to 9:15, but I wanted to bring this matter to the attention of the House to let you and the country know that these charges against the Committee on Un-American Activities are false and that they are published for sinister purposes.

We have not interfered with the freedom of speech of anybody who is not attempting to undermine and destroy this Government. We have been very careful. The Committee on Un-American

Activities is being criticized by some people, because we have not moved fast enough.

I have a letter from an employee of the New York Times, the paper in which this advertisement appeared, which I am going to read to you. It is dated March 14, is addressed to me, and reads as follows:

DEAR SIR: The Times carries a full-page advertisement this morning of a Citizens United to Abolish the Wood-Rankin Committee organization, which has arisen out of nowhere to attack the work of your committee. I note at least 25 names of known Communists and fellow travelers and think it may be safely assumed that anyone else willing to sign such a statement with Stalin on his present rampage must be a person of doubtful loyalty. There is considerable agreement with this opinion among Times staff members.

There is a man who works for the New York Times, the paper that published this scurrilous advertisement. He continues:

May I suggest that it might help the committee if someone in a position to command adequate space through his news value would point out to the public that your committee is able to do no more than throw the light of publicity on the activities it investigates and therefore such wild opposition is in itself prima facie evidence of fear of revelations?

This was made clear in the early days of the Dies committee, but has not been stressed recently, and, unfortunately, Mr. Dies and some of his associates were so amateurish in their dealings with the world's trickiest propagandists they sometimes played into their hands. Present world events are too crucial for the work of your committee to be impaired.

That comes from a patriotic American who has no interest in my political life or my political future, but who is interested in the welfare of his country. Another man sent me a copy of this article from New York and wrote as follows:

DEAR MR. RANKIN: Of all the cockeyed pinko movements, the enclosed seems to me the most ridiculous.

What a ragtag and bobtail procession of crackpots! Professional troublemakers who can't seem to find enough to occupy themselves legitimately, they bring forth these mushroom organizations with multiple-worded titles, all to promote class consciousness and its concomitant class hatred.

I've seen most of these names—Fairchild, Rabbi Wise, Dorothy Fisher, Jo Davidson, with his Santa Claus whiskers, Prof. Kirtly Mather—that I think of them as a lot of unconscious comedians. And there's an old saying, "When clowns grow serious, wise men weep."

Talk about bigotry and intolerance. Everyone who doesn't agree with them is immediately called a Fascist. Surely they must be riding to a fall, or the American people will deserve all they will get from them.

Many people were induced to sign articles who did not know what they were signing. Some people are taking their names off the list. These propagandists go around pretending that this is an eleemosynary organization and get people to sign it, and when they find out what it is, decent people take their names off the list. Some people have taken their names off that list that was published in the RECORD a few days ago.

No, Mr. Speaker, this is not a charitable organization, it is more of a Communist front outfit.

Now, what is Communism? Everyone knows that the Communist Party is dedicated to the overthrow of this Government, as will appear from the following statement by its present leader, William Z. Foster. I am going to repeat what I read on the floor the other day.

Communism, as you know, has two things in view. One of them is to destroy Christianity throughout the world, and the other one is to destroy free enterprise.

William Z. Foster, in accepting the nomination of the Communist Party for President, said:

No Communist, no matter how many votes he could secure in a national election, could, even if he would, become President of the present Government. When a Communist heads a Government of the United States (and that day will come just as surely as the sun rises), that Government will not be a capitalistic government, but a Soviet government, and behind this government will stand the Red Army to enforce the dictatorship of the proletariat.

That is what he says the Communist Party is driving at—the overthrow of this Government.

Let us see what the Attorney General of the United States said about it. Nobody ever accused Mr. Francis Biddle of being a conservative. The fact is, they accused him of being too far to the left. Here is what Mr. Biddle says about it:

The Communist Party in the United States, a section of the so-called Third International, was founded in 1919; and after its name was changed several times, finally became the Communist Party of the United States of America in 1929. The Third International advocated the class struggle, which was described as entering the phase of civil war in America. Illegal methods were also advocated, where necessary, to carry on its work: Systematic agitation in the Army; the renouncing of patriotism, and revolutionary overthrow of capitalism. The Communist Party teaches the violent overthrow of existing governments, including the United States.

That is what Mr. Francis Biddle, Attorney General of the United States said.

Mr. Biddle continued:

The party writes, circulates, distributes, prints, publishes, and displays printed matter advising such overthrow of the United States. Penetration into unions was strongly emphasized in Communist literature, and conversion of their members by constant agitation and propaganda. Reforms in the labor movement should be expected as a screen behind which revolutionary activities could be carried on. Testimony of front organizations showed that they were represented to the public for some legitimate reform objective, but actually used by the Communist Party to carry on activities pending the time when the Communists believe they can seize power through revolution.

Can you make it any plainer? Mr. Biddle says they use these harmless-appearing organizations, from behind which they carry on such propaganda as this, in order to undermine and destroy confidence in the Congress of the United States, for the purpose of overthrowing this Government.

There is no freedom of religion in a Communist country. The saturnalia of murder, rape, plunder, and robbery that has taken place at the hands of the Communists of Europe in the last few

MODIFICATIONS IN THE AUTHORIZATIONS FOR CERTAIN SUBSIDIES

MARCH 15, 1946.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. J. Res. 301]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.

ALBEN W. BARKLEY,
SHERIDAN DOWNEY,
ABE MURDOCK,
ROBERT A. TAFT,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The effect of clause (a) of the joint resolution as it passed the House was to permit the funds authorized for the 1945 crop program operations of the Commodity Credit Corporation to be used with respect to any of the 1946 crop program operations of such Corporation. The Senate amendment limits the provision relating to 1946 crop program operations so that such provision will apply only with respect to operations relating to sugar, vegetables processed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946. Under this amendment no payments or purchases with respect to vegetables or flaxseed can be made after June 30, 1946, unless such vegetables are processed or such flaxseed harvested prior to July 1, 1946. The House recedes on this amendment.

Amendment No. 2: This amendment increases the amount of Reconstruction Finance Corporation funds which may be used for continuing the meat-subsidy program and the flour-subsidy program through June 30, 1946. Public Law 88, Seventy-ninth Congress, approved June 23, 1945 (59 Stat. 260), imposed certain limitations with respect to the amount of funds of the Reconstruction Finance Corporation that might be used for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946. The over-all limitation imposed was \$1,500,000,000, of which \$595,000,000 was allocated for meat and \$190,000,000 for flour; \$36,000,000 of the original limitation for meat was transferred to Commodity Credit Corporation by the Secretary of Agriculture pursuant to Public Law 164, Seventy-ninth Congress, approved July 31, 1945, thus reducing the amount available to the Reconstruction Finance Corporation for meat-subsidy payments to \$559,000,000. Under this Senate amendment to this joint resolution, the allocation for meat will be increased by \$125,000,000 and the allocation for flour will be increased by \$25,000,000.

The additional allocation of \$125,000,000 for meat will be required to continue the present meat-subsidy program through June 30, 1946. These payments have been running at the rate of approximately \$60,000,000 per month. Moreover, while the Office of Price Administration, with the approval of the Director of Economic Stabilization, has increased the ceiling price for meat, effective March 11, 1946, to cover the increase in wages recently authorized in the meat-packing industry, a temporary increase in the meat-subsidy payments will be made to "bridge the gap" between the effective date of the wage in-

crease (which in some cases will be retroactive to January 26) and March 11, 1946, a period of less than 60 days. The increase of \$25,000,000 recommended in the original allocation of \$190,000,000 for subsidy payments on flour will be required to continue the flour-subsidy program through June 30, 1946. These payments have been running at the rate of about \$18,000,000 per month.

Because of the discontinuance or curtailment of certain subsidy programs authorized by the act of June 23, 1945, the increased amounts approved for meat and flour will not result in any increase in the overall limitation of \$1,500,000,000 provided by that act for subsidy payments and anticipated losses by the Reconstruction Finance Corporation for the fiscal year ending June 30, 1946.

The House recedes.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
JESSE P. WOLCOTT,
RALPH A. GAMBLE,

Managers on the Part of the House.



DIGEST OF PROCEEDINGS OF CONGRESS OF INTEREST TO THE DEPARTMENT OF AGRICULTURE
(Issued March 19, 1946 for actions of Monday, March 18, 1946)

(For staff of the Department only)

CONTENTS

Appropriations.....12	Forestry.....11,12	Reclamation.....7
Buildings & grounds.....4	Fruits & vegetables.....1	Relief, foreign.....17
Critical materials.....23	Grain.....1,18,19	Research.....11,24,27
Dairy industry.....20,19	Inflation.....9	Retirement.....22
Education.....10,28	Lands, public.....6	Rural rehabilitation..3,12
Employment.....8	Minimum wage.....16	Small business.....25
Farm credit.....2,3	Nomination.....21	Subsidies.....1
Farm production.....19	Patents.....5,26	Sugar.....1
Fertilizer.....19	Price control.....15	Transportation.....14
Fisheries.....13	Property, surplus,.....10,28	Veterans.....6

HIGHLIGHTS: House agreed to conference report on measure to continue certain subsidies on farm products. House Rules Committee reported resolution for consideration of Flannagan farm credit bill. House Agriculture Committee reported without amendment Cooley farm credit bill. House passed with amendments bill giving FWA certain powers regarding buildings and grounds.

HOUSE

1. SUBSIDIES. Agreed to the conference report on H. J. Res. 301, to continue subsidies on the 1945 crop program operations and on the 1946 crop program operations relating to sugar, vegetables processed, and flaxseed harvested prior to July 1, 1946, and to authorize continued RFC subsidies on meat and flour (pp. 2394-5). This measure will now be sent to the President.
2. AGRICULTURAL CREDIT AGENCY. The Rules Committee reported a resolution for the consideration of H. R. 4873, to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, and to create a public farm-appraisal system (p. 2395, 2429).
3. FARM CREDIT; RURAL REHABILITATION. The Agriculture Committee reported without amendments H. R. 2239, the Cooley farm credit bill (H. Rept. 1752) (p. 2429).
4. BUILDINGS AND GROUNDS. Passed with amendments H. R. 5407, to give Public Buildings Administration authority to: Purchase and remodel buildings, establish limits of cost and design new building projects on Government-owned sites outside D.C.; exchange a portion of the Barge Office site for land owned by New York City; direct economical use of office space in larger metropolitan centers and D.C., including surrender of space determined to be uneconomically used; lease storage space in D.C. (exclusive authority, except for departments and agencies with appropriations specifically made for rental of such space); operate communications services in and outside of D.C. where economical; enter into contracts for food services in Government buildings (exclusive authority);

approve sketches, plans, and estimates for buildings; and use and assign space in the Denver ordnance plant. The bill also removes limitation on rates chargeable as rent and makes provision for review by the President if an agency does not wish to occupy assigned space.

5. PATENTS. Passed over, at the request of Rep. Cole, N.Y., H.R. 3756, to require the recording of agreements relating to patents (p. 2395).
6. PUBLIC LANDS; VETERANS. Passed without amendment H. R. 5271, to amend an act entitled "An act to allow credit in connection with certain homestead entries for military or naval service rendered during World War II" (p. 2397).
7. RECLAMATION. Passed with amendment H.R. 5654, to provide basic authority for the performance of certain functions and activities of the Bureau of Reclamation (pp. 2398-2400).
8. EMPLOYMENT. Rep. Varsell, Ill., criticized the increase in the number of Federal employees in the "old-line departments and agencies" since V-J Day (pp. 2391-2).
9. INFLATION. Rep. Voorhis, Calif., outlined his plan for overcoming inflation which includes recommendations for the maintenance of high taxes, for full production over a long period of time, and for the elimination of the fears of debt and market failure (pp. 2423-6).
10. EDUCATION; SURPLUS PROPERTY. Received an Agricultural and Mechanical College of Tex. petition favoring H.R. 5517, to authorize the sale of surplus property to educational institutions at a price sufficient to cover the costs of the sale (p. 2430).
11. FORESTRY. Received an Edgerton, Wis. Lions Club petition favoring the inclusion of a sum of \$50,000 in the agricultural appropriation bill, 1947, to establish a forest research center in Wis. (p. 2430).

SENATE

NOT IN SESSION. Next meeting Tues., Mar. 19.

12. SECOND URGENT DEFICIENCY APPROPRIATION BILL, 1946. As reported in the Senate, this bill, H. R. 5671, provides in addition to the appropriation of \$3,350,000 for fighting forest fires, FS, an increase of \$25,000,000 in the authorization for FSA to borrow from RFC for rural rehabilitation loans, with the provision that \$15,000,000 be used for loans to eligible veterans of World War II. The following specific amounts would be appropriated for E&PQ to meet the increased costs arising out of the Federal Employees Pay Act: Insect investigations, \$270,000; insect and plant disease control, \$317,000; and foreign plant quarantines, \$240,000.

BILLS INTRODUCED

13. FISHERIES. H.R. 5799, by Del. Bartlett, Alaska, transferring the jurisdiction, supervision, administration, and control over the salmon and other fisheries of Alaska, except the fur-seal and sea-otter fisheries, from the Department of the Interior to the Territory of Alaska. To Merchant Marine and Fisheries. (p. 2429.)

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

JOINT COMMITTEE TO INVESTIGATE UNIVERSAL MILITARY TRAINING, ETC.

Mr. MAY. Mr. Speaker, last Friday, one of my colleagues the gentleman from Arkansas [Mr. Hays] presented me with a resolution which he proposes to introduce, apparently sponsored by some 25 or 26 Members of this House. This resolution, if introduced, in my judgment, under the parliamentary procedure will go to the Rules Committee of the House. It seeks to take over, by appointment of a joint Senate and House committee, the complete functions of the Military Affairs Committee of this House on the subject of universal training legislation, selective service law, and the size of the United States Army, and would probably include other matters exclusively within the jurisdiction of the Military Affairs Committee.

My purpose at this time is to suggest to the chairman of the Rules Committee if and when they reach the point where they may consider holding hearings on it, which I do not think they ever will, the Military Affairs Committee of this House will want to be heard in opposition to it.

Furthermore, Mr. Speaker, the Committee on Military Affairs drafted and reported to this House the original selective service law and all amendments thereto, and surely it must be capable of dealing with the problems involved. No longer than last week the committee had General Eisenhower, Chief of Staff, and the Secretary of War and other high-ranking officers of the armed forces to determine the size of the Army of the future and other related questions incidental to the whole broad problem of our future defense establishment. I am sure this body knows what the burdens of your Military Affairs Committee have been and that they constantly are accumulating.

The SPEAKER. The time of the gentleman from Kentucky has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

JOINT COMMITTEE TO INVESTIGATE UNIVERSAL MILITARY TRAINING, ETC.

Mr. ARENDS. Mr. Speaker, I rise in support of what the gentleman from Kentucky [Mr. MAY], chairman of the Military Affairs Committee, has just said.

I want to say this to the 26 Members of the House, 13 Republicans and 13 Democrats, who today filed a resolution suggesting a committee from the Senate and House be appointed to study the problem of, first, how many men we are going to need in our postwar Army, and second, what we are going to do about the extension of the selective-service law, which expires May 15, 1946. If this committee will but wait, I am sure the Military

Affairs Committee of this House will come here to the floor with ample evidence and information to satisfy every Member of the House. It is our purpose to get all data available and present them factually so that you may know exactly what road Congress may be called upon to follow. I think the Military Affairs Committee of this House can be relied upon to furnish the House with such information.

The Army and Navy Journal of this week gives a rather detailed explanation of what information was brought to our committee only last week by Secretary Byrnes, Secretary Patterson, General Eisenhower, and General Spaatz. If the members of this newly proposed committee will read this article, they will find some information they are looking for. In the meantime, our committee will continue in its efforts to obtain all available information on the vital question of future military policies and practices. We have been, are now, and will be busy in committee to gather facts. Our committee is on the job and I trust the Rules Committee of the House will not see fit to favorably consider the resolution introduced today by the gentleman from Arkansas [Mr. Hays].

The SPEAKER. The time of the gentleman from Illinois has expired.

PERMISSION TO ADDRESS THE HOUSE

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

PROGRESSIVE PARTY IN WISCONSIN GOES REPUBLICAN

Mr. MUNDT. Mr. Speaker, coming events cast their shadows before them. Yesterday in Wisconsin the great Progressive Party, realizing the importance of maintaining the two-party structure in the United States, and the part that two-partyism has played in preserving freedom in this country, decided to join one of the two major parties. So we now have the first definite indication of how the people of America are going to vote in the next election. Two hundred and eighty-four voted to join the Republican Party, 51 voted to join the Democratic Party, 67 voted to remain Progressives, and 3 voted to be Socialists.

While the percentage in favor of Republicanism in Wisconsin may be higher than it will be over the remainder of America in the next elections, I am sure the results are just the same. Americans generally, like Progressives in Wisconsin, are turning to the Republican Party as their one hope for progressive government based on American principles.

I congratulate the Progressives on the good judgment they displayed in Wisconsin, and welcome to our fold Brothers MERLIN HULL of this House and ROBERT LA FOLLETTE of the other body. May their tribe increase.

The SPEAKER. The time of the gentleman from South Dakota has expired.

PERMISSION TO ADDRESS THE HOUSE

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a newspaper article.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

THE LATE MISS MABEL BOARDMAN

Mrs. BOLTON. Mr. Speaker, the papers today carry the announcement of the death of Miss Mabel Boardman, whose name has been synonymous with the American Red Cross, for these many years.

I shall include as an extension of my remarks the article appearing in the Washington Post of this date which gives a sympathetic and objective history of her service to the Nation.

But it is my desire to pay my respects and give honor to this great woman who has done such honor to Cleveland, the city of her birth.

Long since a national and international power, Miss Boardman never lost contact with this city of the Connecticut Western Reserve. Her warm welcome to those who, like myself, have come to Washington in Government and for other reasons will be a precious memory always. Her vibrant personality, whose charm was like a benediction, has radiated into every dark corner of this anguished world into which the American Red Cross goes, for whatever she touched she infused with the energy and beauty of her own rare spirit.

In the death of Miss Mabel Boardman, the visible contact with a woman of unusual vision, never-failing courage, and consecrated living is broken, but the example of her radiant faith, her tireless service will continue to live and move within the life of our Nation and of the world.

The SPEAKER. The time of the gentlewoman from Ohio has expired.

EXTENSION OF REMARKS

Mr. JENSEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial by Arnold Spencer of the Audubon (Iowa) Advocate.

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD on three different subjects and in each to include extraneous matter, including correspondence and a resolution.

Mr. FARRINGTON asked and was given permission to extend his remarks in the Appendix of the RECORD and include therein the result of a Gallup poll on the question of statehood for Hawaii.

Mr. WORLEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mr. HORAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes this afternoon following the legislative business of the day and other special orders heretofore granted.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE LATE HONORABLE HUBERT D. STEPHENS

Mr. RANKIN. Mr. Speaker, it becomes my sad duty to announce to the House the death of the Honorable Hubert D. Stephens, a former Member of this body and a former Senator from the State of Mississippi, who passed away at his home in New Albany, Miss., on last Thursday, March 14.

Mr. Stephens was born in Union County, Miss., on July 2, 1875. He was educated in the common schools and University of Mississippi, and practiced law in New Albany practically all his life, except the time he served in the Congress of the United States. He was married in 1899 to Miss Delia Glenn, of Courtland, Miss., and has two sons, Hubert D., Jr., and Marion Glenn Stephens.

He was elected to the Sixty-second Congress in 1910 and served as a Member of this body for 10 years. In 1922 he was elected to the United States Senate where he served until 1935.

Senator Stephens was a worthy representative of the great State of Mississippi. He was a real American. He believed in the fundamental principles upon which our Nation was founded. His father and my father were country school teachers in neighboring communities during the days of reconstruction, and ever since I was a boy I have been associated with him. I speak with experience when I say that he was one of the finest, most upstanding, patriotic Americans I have ever known. His passage is a personal loss to me as well as to the State and to the Nation.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the distinguished gentleman from Texas, the Speaker of the House.

Mr. RAYBURN. I knew Hubert Stephens well when he was a Member of the House, also as a Senator and as a private citizen after he retired from public life. He was a man of outstanding ability and of character unimpeachable; he was a great and a good man. We need more Hubert Stephenses in the United States.

Mr. RANKIN. I thank the distinguished gentleman from Texas.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois.

Mr. SABATH. Mr. Speaker, it was my pleasure and honor to serve with that distinguished American citizen in the House. I recollect his activities and his cooperation, under President Wilson while in the House. He has always been

with the people, for the people, and one of the grandest representatives of that great State, Mississippi. I regret exceedingly his death.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Mr. Speaker, I am sure that I express the united sentiment of the entire congressional delegation of the State of Mississippi when I say that we gladly join in the very deserved tributes to the high character and faithful public services of the late and former Senator Hubert D. Stephens, of Mississippi, who served as a Member of the House for 10 years, and subsequently as a Member of the Senate for 12 years.

I now yield to my colleague from Mississippi [Mr. COLMER].

Mr. COLMER. Mr. Speaker, we were all very much saddened to hear of the death of a distinguished former colleague of this Congress, Hubert Stephens. I knew him quite well and had the privilege of serving here at the same time he was serving in the other body. He was truly a great Mississippian and a great American. He was a man of outstanding character and it can be truthfully said of Hubert Stephens that he never did a little thing in his life. He was always a great man and a big man.

Mr. RANKIN. Mr. Speaker, I am sure every Member of the House and everyone else who knew Senator Stephens joins me in extending our profound and heartfelt sympathy to his bereaved family.

A great American has passed away. Peace to his ashes, and honor to his memory.

EXPENSES FOR CONDUCTING INVESTIGATION BY COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit a privileged resolution (H. Res. 563) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That effective from March 1, 1946, the expenses of conducting the study and investigation authorized by House Resolution 318 of the Seventy-ninth Congress incurred by the Committee on Interstate and Foreign Commerce, acting as a whole or by subcommittee, not to exceed \$35,000 including expenditures for the employment of clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee or subcommittee thereof conducting such study and investigation or any part thereof, signed by the chairman of the committee or subcommittee, and approved by the Committee on Accounts.

SEC. 2. The official stenographers to committees may be used at all hearings held in the District of Columbia unless otherwise officially engaged.

Mr. COCHRAN. Mr. Speaker, the House on March 7 passed a resolution authorizing the Committee on Interstate and Foreign Commerce to investigate all phases of transportation. Following the passage of that resolution the majority and minority members of the Interstate and Foreign Commerce Committee came before the Committee on Accounts and

asked for \$50,000 to make the investigation. As the resolution provided that this committee could ask for assistance from Government agencies the Committee on Accounts recommended \$35,000 to complete the investigation. I feel that the committee could get along with less as they must make their report during the present Congress, but, as I said at the outset, I was directed to report the resolution which carries \$35,000.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SALARIES FOR EMPLOYEES OF CIVIL SERVICE COMMITTEE

Mr. COCHRAN. Mr. Speaker, by direction of the Committee on Accounts, I submit another privileged resolution (H. Res. 564) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That in lieu of the provisions of the Legislative Appropriation Act for 1946 providing salaries for employees of the Civil Service Committee, until otherwise provided by law, there shall be paid out of the contingent fund of the House, effective March 1, 1946, compensation at the rate of \$3,300 per annum for the employment of a clerk (which shall be considered the prevailing rate in accordance with the terms of Public Law 512, approved December 20, 1944, as amended), \$2,460 for the employment of an assistant clerk, and \$1,560 for the employment of a janitor to the Committee on Civil Service.

Mr. COCHRAN. Mr. Speaker, the Committee on the Civil Service is one of the committees of the House that is not properly staffed. With the resignation of former Chairman Ramspeck, the gentleman from West Virginia [Mr. RANDOLPH] was named chairman of the committee to succeed him. The gentleman from West Virginia [Mr. RANDOLPH] was formerly chairman of the Committee on the District of Columbia and had three outstanding clerks which he took with him to the Committee on the Civil Service. He has asked that his committee be advanced to the class where the salaries are \$3,300 for clerk, \$2,460 for assistant clerk, and \$1,560 for messenger.

This committee was directed by resolution of the House to make certain investigations which were carried on for a number of years under that resolution. There is to the credit of the committee, \$15,000. The gentleman from West Virginia [Mr. RANDOLPH] informed the Committee on Accounts that it was not his purpose to make any additional investigations unless something unforeseen was presented. In view of that, the Committee on Accounts recommends this legislation.

The resolution was agreed to.

A motion to reconsider was laid on the table.

AMENDMENT OF PUBLIC LAW 30 OF THE SEVENTY-NINTH CONGRESS

Mr. SPENCE. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 301) to amend Public Law 30 of the Seventy-ninth Congress, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of March 15, 1946.)

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Why is it that you are increasing the subsidies to be paid for wheat farming and sugar farming? Is it not about time that you paid the farmer the price that he ought to get for the wheat, sugar, and stop these subsidies and not let your children and your children's children in years to come pay the bill that you ought to be paying today? It is a crime to the oncoming generations to permit such a thing as that. It does not even show sound business on the part of the Democratic Party. Certainly we can pay our own way, and pay it now. If you cannot, then it is your duty to economize in Government spending. Oh, what this administration has done to our country in spending, spending, spending, electing, electing, electing. Yes; a \$279,000,000,000 deficit is the result—a monument to the Democrats and the New Deal. A headache to the taxpayers and future generations.

Mr. SPENCE. The gentleman has asked more than a question. This is the bill which passed the House and provided for the purchase of the Hawaiian and Cuban sugar crops, and provided that it might be sold by the Commodity Credit Corporation at a loss. That was done in order to obtain the sugar that was necessary, and which would not otherwise have been obtained. When it went to the Senate the Senate amended it to include an increase in the subsidies on flour of \$25,000,000 and on meat of \$125,000,000. It is in the nature of a deficiency appropriation. It does not change the policy in any way. It merely provides for carrying out the policy that was formulated by the Congress, and it is within the limitations of the money authorized for that purpose, \$1,500,000,000. It is merely to carry out the existing program.

If this includes these other allocations, the whole amount of money now expended will be well within the \$1,500,000,000. If this is not done, there will be an abrupt stoppage of the appropriations for meat and flour at this time. The appropriation for meat amounts to \$60,000,000 a month. This is merely to carry over this program until June 30 of this year. It will not commit anybody as to any future subsidies. This was a unanimous report by the conferees on the part of the House and the Senate. I certainly hope the House will agree to the conference report.

Mr. RICH. Mr. Speaker, will the gentleman yield for a question?

Mr. SPENCE. I yield to the gentleman from Pennsylvania.

Mr. RICH. Notwithstanding the fact that this was a policy adopted a few years ago, the policy is all cockeyed. The policy you have adopted of trying to subsidize the people of this Nation, where you can have the bureaucrats controlling

them in every way possible, is about as cockeyed a proposition as was ever made to the American people. That is the kind of proposition Hitler made to the people in Germany. That is the kind of thing they are doing over in Russia. It is about time we stopped it in this country. If we are going to have a free America, we want to get the people of this country paid for what they are doing instead of subsidizing them for our children to pay the bill. It seems to me this is about the poorest policy this administration has ever adopted. If Mr. Hannegan is going to give you fellows a dinner so that he can ask you to continue this policy, it is about time you quit. Quit following the New Deal. It is time to be American in every sense of the word.

Mr. SPENCE. I do not yield further, Mr. Speaker. The gentleman said he was going to ask a question. I do not yield for a speech.

Mr. MCGREGOR. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Ohio.

Mr. MCGREGOR. Will the gentleman tell us whether or not, in his opinion, this amount of subsidy will give us the amount of sugar that will be needed for the coming season?

Mr. SPENCE. I cannot tell that. It means the purchase of the entire crop of Cuba and Hawaii, as I understand. Otherwise we probably would not obtain it at all. I certainly hope the House will agree to the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

AGRICULTURAL CREDIT AGENCY

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 565, Rept. No. 1751), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4873) to create an Agricultural Credit Agency, to consolidate therein all Federal agricultural lending agencies, to create a public farm-appraisal system, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same back to the House with such amendments as shall have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

CIRCUIT COURTS OF APPEALS AND DISTRICT COURTS

The Clerk called the bill (H. R. 4230) to provide necessary officers and em-

ployees for circuit courts of appeals and district courts.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The SPEAKER. The Chair expects to recognize a Member later to move to suspend the rules and pass this bill.

RECORDING OF AGREEMENTS RELATING TO PATENTS

The Clerk called the bill (H. R. 3756) to require the recording of agreements relating to patents.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

CORRECTING NAVAL RECORD OF FORMER MEMBERS OF CREWS OF REVENUE CUTTERS ALGONQUIN AND ANONDAGA

The Clerk called the bill (H. R. 1498) to correct the naval record of former members of the crews of the revenue cutters *Algonquin* and *Anondaga*.

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

TRANSFER OF FISH HATCHERY TO THE CITY OF LAWTON, OKLA.

The Clerk called the bill (H. R. 1389) providing for the transfer of a certain fish hatchery in Comanche County, Okla., to the city of Lawton, Okla.

The SPEAKER. Is there objection to the present consideration of this bill?

Mr. RICH. Reserving the right to object, may I say to the gentleman from Oklahoma [Mr. JOHNSON] that I received his letter with reference to the transfer of this property. The thought I have in mind is this. I can remember a few years ago when the gentleman was talking about establishing these fish hatcheries. At that time he was very energetic in trying to see to it that the Government took over this property and handled it. This, then I opposed. It was not successful; a poor adventure for the Department of Fisheries. Now they want to give it up. They want to give it to one of the cities of your own State. It seemed to me that it was a poor business proposition at the time. We tried at that time to prevent the Government from taking the property over. Now, it proves that it is a poor proposition so far as the Government is concerned. Yet the Government is going to give to the city property that is valued at \$33,400. I do not think we ought to give our property away like that because the taxpayers in my State are being worked with their noses to the grindstone trying to pay the taxes that this administration has placed upon them. Now you not only want to tax them for everything but you want to give everything away. It does not make sense to me.

Mr. BLAND. Would you not rather do that than to spend any more money on it?

Mr. RICH. Well, yes; but let us sell it to somebody. If it is worth anything, let us sell it to someone in Oklahoma and let them pay for it, even if it is only \$100 or \$500. Let us get something for it. You have had the habit of giving Government property and money away for no good reason. Time to stop it.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman withhold his objection?

Mr. RICH. I withhold it.

Mr. JOHNSON of Oklahoma. May I say to the gentleman that this hatchery was successfully operated by an individual for a number of years. It is true that I cooperated in helping the Fish and Wildlife Service secure this fish hatchery because I believed it could be had at a bargain and I felt it a practical and economical way of solving the hatchery problem then in the area than to build a new hatchery. I regret to say that Bureau never made a success of this hatchery. It would serve no purpose to give all of the reasons for its failure. But the fact remains that the Fish and Wildlife Service never has hatched half as many fish as had been regularly hatched each season by a private individual. Perhaps the Fish and Wildlife Service was unfortunate in the man who was placed in charge of this hatchery. I do not know him. Maybe he was short of help. Anyway, the main excuse given was that they did not have sufficient help. Now they say they have more hatcheries than they have help to maintain those hatcheries. The city of Lawton is willing to take over this hatchery and furnish the help without any expense to the Government to maintain it. Furthermore we are assured that the city of Lawton can and will do a much better job than has the Federal Government. Here is a chance to get a hatchery off the pay roll of the Federal Government and let the city maintain it. The Fish and Wildlife Service states, as I recall, that it will require \$45,000 to adequately build and equip this hatchery like they want it if they are to keep and maintain it. Our committee is not willing to put up \$45,000. Then it will be a rather expensive hatchery to maintain if the committee and the Congress permits them to operate it as they desire it to be operated.

Mr. RICH. If that is the case, I congratulate the gentleman on not spending \$45,000 more for a dead horse. But I think you ought to try to sell that to somebody out in Oklahoma. Why should we give it away? There is no reason for giving it away. If the property is worth anything at all, let us find somebody in Oklahoma who is willing to pay something for it. If they are going to build a private hatchery, there certainly ought to be people out there who will give something for that property. Let us try to relieve the Treasury of some of the debt that we have of \$279,000,000,000. We cannot stand such a debt. Let us help pay it off.

The SPEAKER. The Chair demands the regular order. Is there objection to the present consideration of the bill?

Mr. RICH. Mr. Speaker, I object.

TOLL BRIDGE AT OLD SAYBROOK, CONN.

The Clerk called the bill (H. R. 4940) granting the consent of Congress to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a toll bridge across the Connecticut River at or near Old Saybrook, Conn.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent is hereby granted to the State of Connecticut, acting by and through any agency or commission thereof, to construct, maintain, and operate a bridge and approaches thereto across the Connecticut River, at a point suitable to the interests of navigation, at or near Old Saybrook, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 31 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the costs of the bridge and its approaches, the expenditure for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. COLE of New York. Mr. Speaker, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. COLE of New York: On page 2, line 19, insert:

"SEC. 3. No toll or other charge shall be levied against any employee, civil or military, or any vehicle, or conveyance, of the United States Government for the use of such bridge in the performance of official duties."

Renumber section 3 to read "Sec. 4."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE AT CLINTON, IOWA

The Clerk called the bill (H. R. 4914) to revive and reenact the act entitled "An act creating the City of Clinton Bridge Commission and authorizing said commission and its successors to acquire by purchase or condemnation and to construct, maintain, and operate a bridge or bridges across the Mississippi River at or near Clinton, Iowa, and at or near Fulton, Ill.," approved December 21, 1944.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved December 21, 1944, authorizing the City of Clinton Bridge Commission to construct,

maintain, and operate a bridge and approaches thereto across the Mississippi River, at or near the cities of Clinton, Iowa, and Fulton, Ill., be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 2 years and completed within 4 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOLL BRIDGE ACROSS MISSOURI RIVER AT OR NEAR DECATUR, NEBR.

The Clerk called the bill (S. 1425) to revive and reenact the act entitled "An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.," approved June 8, 1940.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. COLE of New York. Mr. Speaker, reserving the right to object, when this bill was called up the last time the calendar was called, I raised the point that the bill did not provide exemption for Government vehicles in the use of the toll bridge. It is my understanding that it has been the general practice, at least in the past, that these toll bridge bills do contain such a provision so that public vehicles do not have to pay a toll when the bridge is used in the performance of public duties.

Unless such amendment is offered to this bill, I will oppose its consideration at this time.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. COLE of New York. I yield.

Mr. JENSEN. I propose to offer such an amendment.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 8, 1940, authorizing the county of Burt, State of Nebraska, to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at or near Decatur, Nebr., is hereby revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to is commenced within 1 year and completed within 3 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. JENSEN. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 2, after line 2, insert a new section:

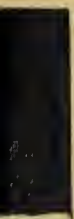
"SEC. 2. No toll or other charge shall be levied against any employee, civil or military, or any vehicle or conveyance of the United States Government for the use of such bridge in the performance of official duties."

And renumber section 2 to read "Sec. 3."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

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[PUBLIC LAW 328—79TH CONGRESS]

[CHAPTER 106—2D SESSION]

[H. J. Res. 301]

JOINT RESOLUTION

To amend Public Law 30 of the Seventy-ninth Congress, and for other purposes.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the Act of April 12, 1945 (59 Stat. 50), is hereby amended by deleting in clause (b) (3) of said section, the words "1945 crop program operations", and by inserting, in lieu thereof, the words "(A) 1945 crop program operations and (B) 1946 crop program operations relating to sugar, vegetables processed prior to July 1, 1946, and flaxseed harvested prior to July 1, 1946"; (b) neither the last paragraph of section 2 (e) of the Emergency Price Control Act of 1942, as amended, nor the Act of June 23, 1945 (59 Stat. 260), shall be construed to apply to purchases by the Reconstruction Finance Corporation of such tin ores and concentrates as it deems necessary to insure continued operation of the Texas City tin smelter; and (c) the allocations for meat and flour provided in the Act of June 23, 1945 (59 Stat. 260) are hereby increased by \$125,000,000 and \$25,000,000, respectively: *Provided, however,* That this shall not be construed to increase the aggregate amount allocated by said Act of June 23, 1945, for subsidy payments and anticipated losses for the fiscal year ending June 30, 1946.

Approved March 21, 1946.

